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1975-1976 Session

Report of Proceedings
from 7 to 11 July 1975

Europe House, Strasbourg

Contents

Sitting of Monday, 7 July 1975	1
Resumption of session, p. 2 — Tribute to Mr Furler, p. 2 — Appointment of Members of Parliament, p. 2 — Election of a vice-president, p. 4 — Documents received, p. 4 — Authorization of reports, p. 7 — Texts of treaties forwarded by the Council, p. 7 — Decision on urgent procedure, p. 8 — Filing of a petition, p. 8 — Tabling of a motion for a resolution, decision on urgency and inclusion in the agenda, p. 8 — Order of business, p. 8 — Action taken by the Commission on the opinions of Parliament, p. 13 — Simplification of customs procedure, p. 14 — Recommendations of the Joint Parliamentary Committee of the EEC-Turkey Association, p. 24 — Agenda for next sitting, p. 32.	
Sitting of Tuesday, 8 July 1975	33
Approval of minutes, p. 34 — Statement by Mr Brunner, member of the Commission, on the Community energy research policy, p. 34 — Change in the agenda, p. 36 — Decisions adopted by the Council of Research Ministers on 26 June 1975, p. 36 — Documents received, p. 43 — Change in the agenda, p. 44 — Medium-term guidelines for coal 1975-85, p. 44 — Time-limit for tabling amendments to the report by Mr Della Briotta on wine, p. 52 — Medium-term guidelines for coal 1975-85 (cont.), p. 57 — Tabling of a motion for a resolution, decision on urgency and inclusion in the agenda, p. 69 — Third financial report on the EAGGF 1973, p. 69 — Act of terrorism in Jerusalem, p. 76 — Appointment of Members of Parliament, p. 83 — Agenda for next sitting, p. 83.	

(Continued overleaf)

NOTE TO READER

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

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

(Continued)

Sitting of Wednesday, 9 July 1975 84

Approval of minutes, p. 85 — Organization of the debate on the Bertrand report on European Union, p. 86 — Verification of credentials, p. 87 — Membership of committees, p. 87 — Question Time, p. 87 — Statement by the President of the Council, p. 97 — Petitions, p. 101 — European Union, p. 101 — Agenda for next sitting, p. 154 — Annex, p. 155.

Sitting of Thursday, 10 July 1975 157

Approval of minutes, p. 159 — Change in the agenda, p. 159 — European Union (cont.), p. 160 — Organization of the debate on Mr Della Briotta's report on the wine sector, p. 184 — European Union (cont.), p. 185 — Tabling of a motion for a resolution, decision on urgency and inclusion in the agenda, p. 205 — Tabling of a motion for a resolution, decision on urgency and inclusion in the agenda, p. 205 — Tabling of a motion for a resolution and decision on urgency, p. 212 — Tabling of a motion for a resolution and decision on urgency, p. 213 — Change in the agenda, p. 217 — Regulations on the wine sector, p. 220 — Agenda for next sitting, p. 257.

Sitting of Friday, 11 July 1975 258

Approval of minutes, p. 259 — Documents received, p. 259 — Transfers of appropriations in the 1975 budget, p. 259 — Reference to committee, p. 259 — Tabling of a motion for a resolution, decision on urgency and inclusion in the agenda, p. 259 — Membership of committees, p. 260 — Draft treaty amending certain financial provisions of the Treaties, p. 260 — ECSC Auditor's report for 1973, p. 279 — Index-linking of savings, p. 282 — Eighth General Report on the Activities of the European Communities, p. 282 — Oral question with debate: Inadequate EEC bird protection measures, p. 284 — Dates for next part-session, p. 286 — Adjournment of session, p. 286 — Approval of minutes, p. 286.

Resolutions adopted at sittings of 7 to 11 July 1975 appear in the Official Journal of the European Communities C 179 of 6. 8. 1975.

SITTING OF MONDAY, 7 JULY 1975

Contents

1. Resumption of session	2	13. Simplification of customs procedure — Debate on a report by Mr Mitterdorfer on behalf of the Committee on Eco- nomic and Monetary Affairs (Doc. 135/75):	
2. Tribute to Mr Furler	2	Mr Mitterdorfer, rapporteur	14
3. Appointment of Members of Parlia- ment:		Mr Cifarelli, on behalf of the Socialist Group; Mr Schwörer, on behalf of the Christian-Democratic Group; Mr De Clercq, on behalf of the Liberal and Allies Group; Mr Normanton, on behalf of the European Conservative Group; Mr Leenhardt, Chairman of the Committee on Economic and Mo- netary Affairs; Mr Schwabe; Mr Gun- delach, Member of the Commission; Mr Normanton; Mr Gundelach; Mr Normanton; Mr Gundelach; Mr Mit- terdorfer	16
Mr Johnston; Mr Fellermaier	3	Adoption of the resolution	24
4. Election of a vice-president	4		
5. Documents received	4	14. Recommendations of the Joint Parlia- mentary Committee of the EEC- Turkey Association — Debate on a report by Mr Klepsch on behalf of the Associations Committee (Doc. 182/75):	
6. Authorization of reports	7	Mr Klepsch, rapporteur	25
7. Texts of treaties forwarded by the Council	7	Mr Hansen, on behalf of the Socialist Group; Mr De Clercq, on behalf of the Liberal and Allies Group; Mr Corrie, on behalf of the European Conservative Group; Mr Laudrin, on behalf of the Group of Progressive European Democrats; Lord Bethell; Mr Gundelach, Member of the Com- mission	26
8. Decision on urgent procedure	8	Adoption of the resolution	32
9. Filing of a petition	8		
10. Tabling of a motion for a resolution, decision on urgency and inclusion in the agenda	8	15. Agenda for next sitting	32
11. Order of business:			
Mr Cipolla; Mr Cifarelli; Mr Leen- hardt, Chairman of the Committee on Economic and Monetary Affairs; Mr Kirk; Mr Lange; Mr Boano; Mr Art- zinger; Mr Della Briotta; Mr Houdet, Chairman of the Committee on Agri- culture; Mr Fellermaier; Mr Norman- ton; Mr Lückner; Mr Cipolla; Mr Du- rieux; Mr Della Briotta	8		
12. Action taken by the Commission on the opinions of Parliament:			
Mr Gundelach, Member of the Com- mission	13		

IN THE CHAIR: MR SPENALE

President

(The sitting was opened at 4.45 p.m.)

President. — The sitting is open.

1. *Resumption of session*

President. — I declare resumed the session of the European Parliament adjourned on 20 June 1975.

2. *Tribute to Mr Furler*

President. — Ladies and gentlemen, a great European has passed away.

On Friday, 4 July, it was my sad privilege to represent this Assembly in Oberkirch at the funeral of Professor Hans Furler and to express in your name our sense of loss and our loyalty to the causes which, throughout his life, he had untiringly served.

On 29 June, barely a few weeks after he celebrated with us in this House the 25th Anniversary of Robert Schuman's Declaration, Hans Furler's long struggle for his country, for Franco-German reconciliation and for a future democratic and united Europe came to an end.

Professor Hans Furler was a member of the Bundestag from 1953 to 1972. From 1955 to 1973 he was a member of the Common Assembly and then of the European Parliament. With generally acclaimed competence and skill he exercised the functions of chairman of the Common Assembly's Political Committee, of President of the Common Assembly, of President of the European Parliament from 1960 to 1962, and of Vice-President of the Parliament from 1958 to 1960, and again from 1962 to 1973.

Among the many activities which he undertook in his capacity of European parliamentarian there are achievements which must be recorded as of great historic consequence: it was thanks to the initiative that Professor Hans Furler took as President of the Common Assembly, and thanks to his unceasing efforts in all quarters and notably in influencing the governments, that, despite the fears that were being voiced on this score, it was possible to establish the principle that with the implementation of the Treaties of Rome a single European Assembly for the three Communities—the ECSC, EEC and Euratom—would be created.

It is thus thanks to him that our Assembly is the sole Assembly of the Communities: the European Parliament.

From 1962 onwards he remained among us as Vice-President of our Assembly which he never left from 1956 until his retirement in 1973, in seventeen years of continuous service unprecedented in our brief parliamentary history.

This fact alone would explain the general esteem enjoyed by Professor Hans Furler, an esteem which was equally merited by his loyal nature, by the high standard of his work and the sincerity of his European commitment.

In 1963, as rapporteur of the Political Committee, he instigated the first debate, one might say the first battle, concerned with the European Parliament's powers, a struggle which he waged unceasingly, one that is still not accomplished but to whose progress he made a considerable contribution.

In mourning the passing of our former President, Hans Furler, in 1975, the year which saw the Lomé Convention concluded, we should remember that it was he who was one of the first architects of association with overseas countries. It was, in fact, due to his indefatigable initiatives that first in January and May 1961 the Euro-African meetings were organized and that in June of that year the Strasbourg Euro-African Conference was held at which the groundwork for the Yaoundé Association Agreement was prepared.

To the family of our late colleague and to the Christian-Democratic Group I wish to express on behalf of the European Parliament our profound sympathy and the assurance that we shall follow his example and carry on his work.

I ask the Assembly to observe one minute's silence in memory of the late Professor Hans Furler.

(The House observed a minute's silence)

3. *Appointment of Members of Parliament*

President. — On 20 June 1975 the Danish Folketing renewed its delegation to the European Parliament. The following were appointed: Mr Kristian Albertsen, Mr Ole Espersen, Mr Ove Guldberg, Mr Erhard Jakobsen, Mr Niels Anker Kofoed, Mrs Edele Kruchow, Mr Jens Maigaard, Mr Jørgen Brøndlund Nielsen, Mr Knud Nielsen, Mr Kai Nyborg.

At its meeting of 1 July 1975 the House of Commons of the United Kingdom appointed the following as representatives to the European Parliament: Mr Guy Barnett, Miss Betty

President

Boothroyd, Mr Tom Dalyell, Sir Geoffrey de Freitas, Mrs Gwyneth Dunwoody, Mr Tom Ellis, Mr John Evans, Mr William Hamilton, Mr Mark Hughes, Mr R. C. Mitchell, Mr John Prescott and Mr Michael Stewart.

At its meeting of 3 July 1975 the House of Lords of the United Kingdom renewed its delegation to the European Parliament. The following were appointed: the Earl of Bessborough, Lord Ardwick, Lord Bethell, Lord Bruce of Donington, Lord Castle, Baroness Fisher of Rednat, Lord Gordon-Walker, Lord Reay, Lord Saint Oswald and Lord Walston.

Pursuant to Rule 3 (1) of the Rules of Procedure, the Bureau has satisfied itself that these appointments comply with the provisions of the Treaties.

I therefore propose ratifying these appointments.

Are there any objections?

I call Mr Johnston.

Mr Johnston. — Mr President, I feel that this Parliament cannot let this moment pass without, for an instant, looking at what has happened. This should be a very happy moment—the moment when we welcome the Labour members of the British delegation, finally, as committed members of our Community. But it cannot be, in my submission, because the way in which the delegation has been chosen completely disregards the real support for parties within Britain. It seems to me, therefore, quite impossible that this Parliament should accept this situation without comment.

The British delegation now consists of 18 Labour members, 16 Conservatives and one Liberal. As you pointed out, Mr President, my colleague, Lord Gladwyn, has been removed by the combined votes of Labour and Conservative in our second House. The delegation is likely to be increased by one Scottish Nationalist, following a vote in the House of Commons tonight. That means that as the sole British Liberal in this Parliament I have the task of representing some 5 250 000 voters by myself. That is the number of people who voted Liberal in the last British General Election.

I represent more people than the total electorates of Denmark, Ireland and Luxembourg put together. In my submission, this cannot be right, cannot be justified, and cannot be allowed because, in plain language, what is happening today is an outrage! It shames my country. Let it not, I ask you, shame this Parliament. Let this Parliament, which has so often rightly criticized and condemned the petty nationalism of individual Member States, bluntly condemn the

British Government and Parliament for sending a delegation here which does not represent Britain.

I know, Mr President, that Article 138 of the Treaty upon which we are established states that delegations 'shall be designated by the respective Parliaments from among their members in accordance with the procedure laid down by each Member State'. It is also true that the diplomatic convention is that sovereign states do not interfere in the internal affairs of other sovereign states. But surely, if being in a democratic Community means anything, we must be concerned about the way we each behave, not alone because of our hope and our aspiration to create a Community whose democracy is an inspiration to the world, but because what each of us does affects the others.

The British delegation will be 18 Labour, 16 Conservative, one Liberal and one SNP. If it were chosen on the same basis as in Germany or the Netherlands it would be 15 Labour, 13 Conservative, seven Liberals and one SNP, with a case for an Ulster Unionist.

The difference between these two positions has an effect not only on British Liberals, but upon the whole composition of Parliament. It changes the relationship between the groups, it affects entitlement to places on committees and it affects entitlement to time in debates.

But, most important of all, it stifles the sacred democratic right of a very large number of people to have their views heard and taken account of.

A democratic Europe will never be built if the strong oppress the weak or if the electoral processes are distorted by those in power for their advantage. As Mr Schmidt of the Socialist Group said when speaking for that group on the Patijn report in January, 'We need representation which is as fair and balanced as possible'.

The British delegation, I submit, has been chosen on a grossly unfair basis and if this Parliament is to be true to the high democratic ideals it cherishes, it must, I believe, both express its deep dissatisfaction and seek to have that injustice remedied.

(Loud applause from the Liberal and Allies Group)

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, ladies and gentlemen, I would have expected a member of the British House of Commons and of the Liberal and Allies Group to have expressed his pleasure that, after the British referendum, the

Fellermaier

British Parliament's full delegation should finally be represented here.

(Applause from the Socialist Group)

However, it is his problem if he is now confusing the European Parliament with the House of Commons. Because that, I am sure, is where my Labour Party friends will be able to give him an appropriate answer, not here.

(Applause from the Socialist Group)

President. — Are there any other objections?

These appointments are ratified.

I congratulate those Members whose appointments have been renewed and cordially welcome the new British representatives.

Henceforth Britain will be fully represented in all the Community institutions and our Parliament now reflects all the political forces in the nine Community states.

I am very happy about this event, which will enable the European Parliament to face up to its important duties in the coming months with greater authority.

4. Election of a vice-president

President. — May I remind you that at our constituent sitting we set aside one vice-president's post until the time when the Labour delegates joined this House.

I have received from the Socialist Group the nomination of Sir Geoffrey de Freitas as candidate for this seat.

Since I have received no other nominations I presume Parliament will elect Sir Geoffrey de Freitas by acclamation pursuant to Rule 7 (1) of the Rules of Procedure.

(Applause)

I therefore proclaim Sir Geoffrey de Freitas Vice-President of the European Parliament and warmly congratulate him on his appointment.

5. Documents received

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

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

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

I. a decision authorizing the Commission to open negotiations with the Council of Europe on the accession of the Community to the European Convention for the protection of animals during international transport

II. a decision concluding the European Convention for the protection of animals during international transport and introducing the provisions necessary for its application to intra-Community trade

(Doc. 154/75).

This document has been referred to the Committee on Agriculture;

— the proposal from the Commission of the European Communities to the Council for a regulation amending the Financial Regulation as regards appropriations for the European Social Fund (Doc. 155/75).

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

— the proposal from the Commission of the European Communities to the Council for a regulation opening, allocating and providing for the administration of a Community tariff quota for apricot pulp falling within subheading ex 20.06 B II c) 1 aa) of the Common Customs Tariff, originating in Israel (year 1976) - (Doc. 156/75).

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

— the proposal from the Commission of the European Communities to the Council for a regulation opening, allocating and providing for the administration of a Community tariff quota for certain eels falling within subheading ex 03.01 A II of the Common Customs Tariff for 1976 (Doc. 157/75).

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

— the proposal from the Commission of the European Communities to the Council for a regulation on the opening of a tariff quota for new potatoes falling within

President

subheading 07.01 A II of the Common Customs Tariff for 1976, originating in Cyprus (Doc. 158/75).

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

- the proposal from the Commission of the European Communities to the Council for a directive on an eleventh amendment to Directive No 64/54/EEC on the approximation of the laws of the Member States concerning the preservatives authorized for use in foodstuffs intended for human consumption (Doc. 159/75).

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

- the proposal from the Commission of the European Communities to the Council for a directive amending Directive No 72/464/EEC on taxes other than turnover taxes which affect the consumption of manufactured tobacco (Doc. 168/75).

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

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

- I. a regulation opening, allocating and providing for the administration of Community tariff quotas for port wines, falling within subheading ex 22.05 of the Common Customs Tariff, originating in Portugal (1976)
- II. a regulation opening, allocating and providing for the administration of a Community tariff quota for Madeira wines, falling within subheading ex 22.05 of the Common Customs Tariff, originating in Portugal (1976)
- III. a regulation opening, allocating and providing for the administration of a Community tariff quota for Setubal muscatel wines, falling within subheading ex 22.05 of the Common Customs Tariff, originating in Portugal (1976)

(Doc. 169/75).

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

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

- I. a regulation opening, allocating and providing for the administration of a Community tariff quota for Jerez wines falling within subheading ex 22.05 of the Common Customs Tariff, originating in Spain (1976)
- II. a regulation opening, allocating and providing for the administration of a Community tariff quota for Malaga wines falling within subheading ex 22.05 of the Common Customs Tariff, originating in Spain (1976)
- III. a regulation opening, allocating and providing for the administration of a Community tariff quota for wines from Jumilla, Priorato, Rioja and Valdepeñas falling within subheading ex 22.05 of the Common Customs Tariff, originating in Spain (1976)

(Doc. 170/75).

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

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

- I. a regulation opening, allocating and providing for the administration of a Community tariff quota for dried figs falling within subheading ex 08.03 B of the Common Customs Tariff, originating in Spain (1976)
- II. a regulation opening, allocating and providing for the administration of a Community tariff quota for dried grapes falling within subheading ex 08.01 B 1 of the Common Customs Tariff (1976)

(Doc. 171/75).

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

President

- the proposal from the Commission of the European Communities to the Council for a regulation on the opening, allocation and administration of a Community tariff quota for fresh or dried hazelnuts, shelled or otherwise, falling within subheading ex 08.05 G of the Common Customs Tariff, originating in Turkey (Doc. 172/75).

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

- the proposal from the Commission of the European Communities to the Council for a regulation on the opening, allocation and administration of a 1976 Community tariff quota for dried grapes falling within subheading ex 08.04 B I of the Common Customs Tariff in immediate containers of a net capacity of 15 kg or less (Doc. 173/75).

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

- the proposals from the Commission of the European Communities to the Council for
 - I. a regulation on measures intended to adapt wine potential to market requirements
 - II. a regulation amending Regulations (EEC) No 816/70 and No 817/70 taking into account the Council Resolution of 21 April 1975 concerning new guidelines designed to balance the market in table wines

(Doc. 177/75).

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

- the proposal from the Commission of the European Communities to the Council for a decision concerning a financial contribution by the Community to the Foot and Mouth Disease Institute in Ankara (Doc. 178/75).

This document has been referred to the Committee on Agriculture as the com-

mittee responsible and to the Committee on Budgets for its opinion;

- the proposals from the Commission of the European Communities to the Council for regulations concerning the application for 1976 of the generalized tariff preferences (Doc. 179/75).

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

- the proposal from the Commission of the European Communities to the Council for a regulation on the safeguard measures provided for in the ACP-EEC Convention of Lomé of 28 February 1975 (Doc. 181/75).

This document has been referred to the Committee on Development and Cooperation;

- (b) from the Joint Parliamentary Committee of the EEC-Greece Association:

- the recommendations adopted in Athens on 27 June 1975 (Doc. 180/75);

- (c) from the committees, the following reports:

- report by Mr Willem Albers, on behalf of the Committee on Social Affairs and Employment, on the communication from the Commission of the European Communities to the Council concerning an action programme in favour of migrant workers and their families (Doc. 160/75);
- report by Mr Luigi Marras, on behalf of the Committee on Social Affairs and Employment, on the report from the Commission of the European Communities on the development of the social situation in the Community in 1974 (Doc. 161/75);
- report by Mr Tom Normanton, on behalf of the Committee on Economic and Monetary Affairs, on the Fourth Report of the Commission of the European Communities on competition policy (Doc. 164/75);
- interim report by Mr Norbert Hougardy, on behalf of the Committee on Economic and Monetary Affairs, on the index-linking of savings (Doc. 165/75);
- report by Mr Erwin Lange, on behalf of the Committee on Budgets, on the draft

President

treaty amending certain financial provisions of the Treaties establishing the European Communities and of the Treaty establishing a single Council and a single Commission of the European Communities, presented by the Council: budgetary procedure (Doc. 166/75);

- report by Mr Heinrich Aigner, on behalf of the Committee on Budgets, on the draft treaty proposed by the Council carrying amendments to certain financial provisions of the Treaties establishing the European Communities and the Treaty establishing a single Council and a single Commission of the European Communities: establishment of a European Court of Auditors (Doc. 167/75);
- report by Mr Alfred Bertrand, on behalf of the Political Affairs Committee, on European Union (Doc. 174/75);
- report by Mr Charles Durand, on behalf of the Committee on Budgets, on the Third Financial Report presented by the Commission of the European Communities to the Council and the European Parliament on the European Agricultural Guidance and Guarantee Fund, year 1973 (Doc. 175/75);
- report by Mr Egon Klepsch, on behalf of the Associations Committee, on the recommendations of the EEC-Turkey Joint Parliamentary Committee adopted in Copenhagen on 24 April 1975 (Doc. 182/75);

(c) the following oral questions:

- oral question with debate put by Mr Jahn on behalf of the Committee on Public Health and the Environment to the Commission of the European Communities on inadequate EEC bird protection measures (Doc. 153/75);

6. Authorization of reports

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

- Political Affairs Committee:

Report on the political prospects of the Euro-Arab dialogue;

The Committee on Energy, Research and Technology and the Committee on External Economic Relations have been asked for their opinions.

- Committee on Regional Policy and Transport:

Report on the formulation of a Community policy on maritime navigations in the light of recent developments in world trade policy;

The Committee on Economic and Monetary Affairs has been asked for its opinion.

- Committee on Public Health and the Environment:

Report on guidelines for a Community programme concerning safety, hygiene and health protection at work;

The Committee on Budgets, the Committee on Social Affairs and Employment and the Committee on Cultural Affairs and Youth have been asked for their opinions.

- Committee on Cultural Affairs and Youth:

Report on permanent centres of adult education.

7. Texts of treaties forwarded by the Council

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

- Agreement between the European Economic Community and the Republic of Austria on the simplification of formalities in respect of goods traded between the European Economic Community on the one hand and Greece and Turkey on the other hand when the said goods are forwarded from Austria;
- Agreement between the European Economic Community and the World Food Programme on the supply of cereals to developing countries as food aid;
- Agreement between the European Economic Community and the Catholic Relief Service on the supply of common wheat flour as food aid;
- Additional protocol to the Agreement establishing an association between the European Economic Community and Greece consequent on the accession of new member states to the Community;
- Interim Agreement between the European Economic Community and Greece consequent on the accession of new member states to the Community;
- Notice of the completion by the Community of the procedures necessary for the entry into force of the interim Agreement between the European Economic Community and

President

Greece consequent on the accession of new member states to the Community;

- Minutes of the notification of the completion of the procedures necessary for the entry into force of the interim Agreement between the European Economic Community and Greece consequent on the accession of new member states to the Community;
- Agreement between the European Economic Community and the Rwandese Republic on the supply of common wheat flour as food aid.

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

8. *Decision on urgent procedure*

President. — I propose to Parliament that we should deal by urgent procedure with reports not submitted within the time limits laid down in the ruling of 11 May 1967.

Are there any objections?

The adoption of urgent procedure is agreed.

9. *Filing of a petition*

President. — At its sitting of 16 June 1975, Parliament referred to the Political Affairs Committee Petition No 2/75, submitted by Mr A. Pinton, senator, and sixteen other signatories, on the draft Constitution establishing a European Government.

At its meeting of 19 June 1975, the Political Affairs Committee considered this petition. It decided to forward it to Mr Alfred Bertrand, rapporteur on European Union, and requests, therefore, that it should be filed without further action.

Does anyone wish to speak?

That is agreed.

10. *Tabling of a motion for a resolution, decision on urgency and inclusion in the agenda*

President. — I have received from the Committee on Energy, Research and Technology a motion for a resolution with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure on the decisions of the Council of 26 June 1975.

I consult Parliament on the adoption of urgent procedure.

Are there any objections?

The adoption of urgent procedure is agreed.

I propose that we include this debate in the agenda for Tuesday, in place of Mr Della Briotta's report on wine which has been moved elsewhere. May I point out that Mr Brunner, Member of the Commission, intends to make a statement during the debate on this motion for a resolution.

Are there any objections?

That is agreed.

11. *Order of business*

President. — At the end of its sitting of 20 June 1975 Parliament adopted the agenda for this part-session, which has been distributed. However, certain changes have occurred in the meantime: Mr Cousté's report on data-processing, Mr Willi Müller's report on the lead content of petrol, Mr Meintz's report on health protection at work, Mr Noè's report on biological standards for lead and Mr Howell's report on sucrose have been withdrawn from the agenda. Mr Della Briotta's report on wine will not be adopted by the Committee on Agriculture until this evening, it cannot therefore be discussed during tomorrow's sittings as intended. I therefore propose placing it on the agenda for Friday in place of the reports by Mr Müller, Mr Meintz, Mr Noè and Mr Howell which have been withdrawn.

I call Mr Cipolla.

Mr Cipolla. — (I) Mr President, I have asked for the floor in order to request you to modify the announcement you have just made with regard to the debate on the report on regulations for the wine sector. I should like to point out to you and to my colleagues that to postpone such an important matter, whose passage has been fraught with so much difficulty and haste, to the last sitting and to place it as the last item on the agenda will inevitably mean allowing it to be debated before a small number of Members and with very little attention on the part of the Assembly. These are very important problems, however, and what is being aimed at is not merely a change in the regulations for the wine sector but a change in the very basic principles of Community legislation in this sector.

It would be advisable, therefore, to make it possible for a larger number of Members to take part in this debate by changing the order of business in whatever way you think most proper. In this way we would be enabled to hear the views of the various groups on the matter

Cipolla

after the meeting to be held by the Committee on Agriculture this very evening.

In making these remarks I have only been trying to give some helpful advice as we realize that the situation is a very difficult one.

President. — I call Mr Cifarelli.

Mr Cifarelli. — (I) Speaking on my own behalf and with full awareness of the difficulties being encountered by the Committee on Agriculture, I should merely like to say that I find Mr Cipolla's proposal a very sensible one. I think we should try to avoid having such an important subject dealt with only on Thursday at the end of the sitting.

President. — I call Mr Leenhardt.

Mr Leenhardt, Chairman of the Committee on Economic and Monetary Affairs. — (F) Mr President, I should like to make some remarks concerning the agenda.

First, I should like to insist on the inclusion of Mr Normanton's report on competition which has been distributed. I would ask that this report be included under the urgent procedure in place of Mr Cousté's report which, as you have just said, is being postponed. Although our committee had used its best endeavours to complete the discussion of this very important report, it was only able to finish its work at its last meeting. It is, however, a matter of great urgency that our opinion should be given, since the Commission is already drawing up the Fifth Report on competition.

I trust that the changes to the agenda you have announced will make this possible.

Secondly, on Mr Hougardy's report on the indexing of savings, which is down for Friday, I have to say that very profound differences of opinion have manifested themselves in the committee. We have therefore decided to submit an interim report, while asking the Commission for a more thorough-going study.

In the circumstances I must insist that the interim report be adopted without debate, and the full debate be deferred until the Commission's study is submitted to us.

President. — I call Mr Kirk.

Mr Kirk. — I fully understand Mr Leenhardt's point about Mr Normanton's report. It is a very important report. On the other hand, I think it would be agreed by everybody that it is not an urgent report. It is a matter that can be taken

at a later stage, whereas a number of other reports are extremely urgent.

I therefore think it will be wiser for us to defer consideration of Mr Normanton's report—and I think I can say that he agrees with this—until our September part-session, when it may get, if I can put it in showbiz terms, slightly better billing than it would otherwise get this week, when it is likely to be discussed at a time when very few Members will probably be here.

President. — First I would like to say to Mr Cipolla that the Bureau's discussions on the agenda were very difficult. Everyone was aware that the question of wine had to be debated during this part-session; but the committee responsible has not yet been able to complete its consideration of this report. Noone is to blame. The committee will continue its discussions this evening and some forty amendments have already been tabled. All these texts will then have to be translated into the six languages and distributed to Members of this House.

Given the difficulties involved, and the time limits and each Member's right to table amendments, it is impossible to discuss this item before Thursday. I therefore advise you to accept the Bureau's proposal and to place this report on the agenda for Thursday at the end of the sitting.

I thank Mr Kirk for his proposal about Mr Normanton's report and request the chairman of the committee to support it.

As for Mr Hougardy's report, I thank the committee for proposing that it be dealt with without debate, which will make our work easier.

I call Mr Lange.

Mr Lange. — (D) Mr President, I regret that, for my part, I cannot agree to your proposal. I also cannot agree with Mr Kirk's views. The Committee on Economic and Monetary Affairs has, over all these years, tried, firstly, to get the report on competition policy and, secondly, to consider it so that it could be debated before the new Report was ready. If it were only debated in September, as Mr Kirk suggests, the Commission's Fifth Report would already be out. I need hardly point out how ludicrous that would make this House appear.

Now we do have a report, the Cousté report, which has been dropped. If the wine report cannot be debated tomorrow, then we could discuss the Normanton report in its place, and the wine report could be dealt with in place of the Cousté report.

President. — I call Mr Boano.

Mr Boano. — (I) Mr President, still on the subject of Mr Della Briotta's report, I think that what our colleagues, Mr Cifarelli and Mr Cipolla, really wanted to do was not to bring forward the debate but to put it back by postponing it until the September part-session, since it was only in the last few days that the Commission submitted a proposal for a regulation; this differed greatly from the previous one, to which we were able to devote the requisite amount of time and thought.

This has not been the case, however, with this most recent proposal, and you are well aware, Mr President, how important and delicate a question this is for the Community in general and for some Member States in particular.

I wanted therefore to bring out the full import of the case being made by my two colleagues and to say that I, for my part, feel that it would be more advisable not to bring this report forward but rather to postpone it to our September part-session.

President. — I call Mr Artzinger.

Mr Artzinger. — (D) Mr President, Mr Lange has more or less taken the words out of my mouth. I should merely like to emphasize once more what he said, and that is that it is really unacceptable that the competition report should be put back to September. This will thoroughly complicate our timetable in the Committee on Economic and Monetary Affairs. We have been to a great deal of effort to get this report ready for this sitting. I would like to ask, if it is at all possible, for Mr Normanton's report to be dealt with during this part-session.

President. — I call Mr Della Briotta.

Mr Della Briotta. — (I) Mr President, I should like to explain, so that there may be no shadow of doubt about it, that if we have not carried out our task as completely as we might have done, this is entirely due to the Commission's delay in submitting its proposal, which is dated 25 June.

As a matter of fact, I, as rapporteur, have had to work in extremely trying conditions in my efforts to submit a draft report to the Committee on Agriculture. I succeeded in submitting this report and it was considered, albeit in great haste, since there was no time to consider it more minutely. We felt that it was a matter of urgency, seeing that the grape harvest just cannot wait. However, it must be pointed out

that this Parliament and its Committee on Agriculture were not given an opportunity to give the entire subject the thorough appraisal that it deserves. The only other thing I should like to say is that in my capacity as rapporteur, I have always been completely at the disposal of the Committee on Agriculture and I shall continue to be so for as long as we go on working on this problem.

President. — I call Mr Houdet.

Mr Houdet, Chairman of the Committee on Agriculture. — (F) Mr President, you have just said that it was nobody's fault that Mr Della Briotta's report has had to go down the list in the order of business. I must make clear the responsibility of the Committee on Agriculture in this matter. As Mr Della Briotta has said, we were working in extremely difficult conditions: it was only on the morning of 27 June that we received the Commission's proposals, and then only in one language. We had to listen to Mr Lardinois without having seen the proposals. A majority of my colleagues were willing to meet on the following Monday and Tuesday to examine these proposals. We have not been able to complete their examination before the opening of the present part-session and we shall do this tonight.

That shows that the conditions under which we have to work are particularly difficult. In fact, at the request of my colleagues, I have written a letter to you about them to ensure that such a situation does not arise again.

The matter is very serious. The grape harvest will soon begin and there is a crisis in viticulture in the Mediterranean countries. The Council has decided to deal with this matter and to take a decision on 21 or 22 July. It is therefore essential that Parliament give its opinion during the present part-session.

Like Mr Cipolla and Mr Fellermaier, I regret that the problem should be examined at such a late stage, for the debate will be an important one. Certainly many amendments will be tabled at the plenary sitting. I should have preferred that the matter be debated on Thursday morning so as to leave much more time for the discussion.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, ladies and gentlemen, this debate on the agenda, in which the pros and cons of moving individual items from Friday to Tuesday or from Tuesday to Thursday are being argued so vehemently, is, in my submission, beyond the competence of this

Fellermaier

House. That is why the House should decide to have the very important wine debate on Thursday whatever happens. At the same time I should like to ask you, Mr President, to call a meeting of the Bureau at 6 p.m. so that the other items on the agenda can be reconsidered in the light of what the Chairman of the Committee on Economic and Monetary Affairs has said on the subject of the Normanton report and the Bureau can then tell us exactly how it thinks the agenda should be arranged.

President. — I call Mr Normanton.

Mr Normanton. — I have so far deliberately refrained from taking part in the discussion on the timing of the debate on competition policy because I am the servant of the Committee on Economic and Monetary Affairs as well as of the House on this matter. But I urgently appeal to the House to choose for the debate a time when there will be a full attendance, giving ample opportunity for a deep and intensive debate. A Friday is not the best day for dealing with such a subject. If the debate on my report is to spill over to the next part-session, I hope that it will be on an appropriate day in September.

President. — I call Mr Lücker.

Mr Lücker. — (D) Mr President, I have nothing further to say as regards the Normanton report since the rapporteur himself has now made a proposal which seems to me to correspond to what Mr Kirk proposed some time ago. It might perhaps be appropriate to inform Members of the House that you, Mr President, in the meeting of the enlarged Bureau, just pointed out to us that we shall certainly need to hold a night sitting until 3 or 3.30 in the morning in order to get through this agenda. If there is therefore a real necessity for choosing between the Normanton report and the wine report then we should, in my submission, adopt Mr Kirk's proposal which Mr Normanton now virtually reiterated.

As regards the wine debate I am in broad agreement with what Mr Fellermaier said. I also feel that in this controversial matter, whether yes or no, and particularly in the controversial debate between the members of the responsible committees, we should review the matter with you, Sir. I would nevertheless be grateful if Mr Fellermaier would agree that we do this not this evening, but tomorrow morning. We will then know whether the Committee on Agriculture was able to finish today. At the moment we only know that it should be finished, which

is what I am hoping. But what happens if it is not? I still have no answer to this question. That is why I think it would be wiser, Mr President, if we were to hold this discussion, which Mr Fellermaier has proposed, tomorrow morning so that we can then fix the agenda once and for all in the morning. We should restrict ourselves this evening to fixing an agenda which we can get through today.

President. — Mr Lange's proposal concerning Mr Normanton's report cannot be accepted. Mr Normanton's report cannot in fact be distributed until Thursday nor can it therefore be discussed until that date at a late hour in the evening. The rapporteur would prefer his report to be considered in September. The House would be wise to accept that proposal.

As for the report on the wine market, two speakers felt that it was not urgent, but most Members do not share that view. We have been told that the Council should take a decision on 21 or 22 July.

I know the difficult conditions under which the Committee on Agriculture had to work. It has not yet concluded its task which it wanted to perform as well as possible.

That is why the report is not yet available; it will be distributed as early as possible tomorrow morning.

That item cannot, therefore, be discussed before Thursday. I therefore repeat the earlier proposal that Mr Normanton's report should be deferred until the September part-session and Mr Della Briotta's report be placed on the agenda for Thursday, at the end of the sitting.

I call Mr Cipolla.

Mr Cipolla. — (I) Mr President, I should like to propose that we wait until the Committee on Agriculture has finished its work. In this connection I should like to make it clear that the blame for the delay we are discussing today must be laid at the door of the Commission, which submitted only at the end of June this important regulation which will have a vital bearing on the entire future of the wine sector.

I should also like to draw your attention, Mr President, to the fact that our power is very limited, in fact merely consultative. Now, if this power must be exercised under conditions such that we have to give our views on certain matters without full knowledge of the facts or an opportunity for mature deliberation on them, then this already modest power becomes even further diminished. In defence, therefore, of the

Cipolla

very dignity of this Parliament, you, Mr President, should see to it that in future the Commission is not allowed to submit proposals of this kind at such a late stage.

President. — Mr Cipolla, like you I am concerned with protecting this Parliament's powers and I will of course write to the Commission pointing out that the conditions under which it forces the Committee on Agriculture and Parliament to work are intolerable.

Having said that, we must carry out our duty; since there is no other part-session before the harvest, we must decide on these acute problems this week; we cannot do so before the end of Thursday's sitting.

I call Mr Durieux.

Mr Durieux. — (*F*) Mr President, I have written to you asking to defer until late tomorrow the report by Mr Durand, who will be unable to attend in the morning. But would it really be opportune to discuss this agricultural report on Tuesday? Could it not be deferred until Thursday?

President. — Thursday's agenda is too heavy.

Since Mr Durand will not be present at the beginning of the sitting I propose placing this report on the agenda at the end of Tuesday.

I call Mr Della Briotta.

Mr Della Briotta. — (*I*) Mr President, you have proposed that a number of items, for which the Committee on Public Health and the Environment is the committee responsible, should be removed from Friday's agenda. I agree with this proposal, but I would request that Mrs Orth's report on cosmetic products, on which the Council should take a decision before the summer holidays, be listed on Friday's agenda.

President. — Mr Della Briotta, I cannot agree to this before the Bureau has authorized the Committee on Public Health and the Environment to draw up this report.

The agenda would therefore be as follows:

This afternoon:

- Statement by the Commission on action taken on the opinions of Parliament;
- Report by Mr Mitterdorfer on customs union and the achievement of the internal market;
- Report by Mr Klepsch on the recommendations of the Joint Parliamentary Committee of the EEC-Turkey Association.

Tuesday, 8 July 1975

10.00 a.m. and 3.00 p.m.:

- Statement by Mr Brunner, Member of the Commission, on the Community research policy;
- Motion for a resolution tabled by Mr Springorum on the decisions adopted by the Council of Research Ministers on 26 June 1975;
- Statement by Mr Simonet on the Council decisions of 26 June 1975;
- Report by Mr Leonardi on a Community policy in the hydrocarbons sector;
- Report by Mr Burgbacher on the medium-term guidelines for coal;
- Report by Mr Durand on the EAGGF.

Wednesday, 9 July 1975

10.00 a.m. and 3.00 p.m.:

- Question time;
- Statement by the President-in-Office of the Council followed by a short debate;
- Report by Mr Bertrand on European Union.

Thursday, 10 July 1975

10.00 a.m., 3.00 p.m. and possibly 9.00 p.m.:

- Vote on the motion for a resolution contained in the report by Mr Bertrand on European Union;
- Joint debate on
 - the report by Mr Lange on amendments to the budgetary provisions of the Treaties, and
 - the report by Mr Aigner on amendments to the budgetary provisions of the Treaties;
- Report by Mr Aigner on the ECSC Auditor's report;
- Report by Mr Albers on migrant workers;
- Report by Mr Marras on the social situation in the Community;
- Report by Mr Walkhoff on the European schools system;
- Motion for a resolution on education in the European Community;
- Report by Mr Della Briotta on wine.

President

Friday, 11 July 1975

9.30 a.m. to 12 noon:

- Report by Mr Hougardy on the index-linking of savings;
- Report by Mr Jahn on those parts of the Eighth General Report which fall within the terms of reference of the Committee on Public Health and the Environment;
- Oral question with debate put by Mr Jahn to the Commission on inadequate EEC bird protection measures.

Are there any objections?

That is agreed.

May I remind Members that at the end of its previous part-session, Parliament had decided to limit speaking-time as follows:

Reports:

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

Oral questions with debate:

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

Finally, given the delay in submitting the Lange, Aigner and Bertrand reports, I propose changing the time-limit for tabling amendments to these reports as follows:

- reports by Mr Lange and Mr Aigner: Wednesday, 9 July, 6 p.m.;
- report by Mr Bertrand: Wednesday, 9 July, 12 noon.

Are there any objections?

That is agreed.

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

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

I call Mr Gundelach.

Mr Gundelach, Member of the Commission. — I cannot take the floor for the first time at this part-session on behalf of the Commission without expressing the deep satisfaction of the Commission at seeing represented in this House the members of the British Labour Party. We are deeply convinced that their presence here will strengthen our debate and thereby strengthen the construction of Europe. We look forward to close and fruitful collaboration with the new Members.

My report contains six points.

First, in accordance with the opinion contained in Mr Muller's report on waste elimination and recycling, the Commission has altered its draft directive. The alteration, which was submitted to the Council at the end of April, concerned the title of the directive and the amendments proposed by the Parliament to Articles 3, 4, 10 and 14.

Secondly, the Commission has also sent the Council an amended draft directive on the coordination of laws, regulations and administrative provisions relating to joint insurance, on which Mr Brewis reported.

As indicated in its letter of 30 May 1975 to the President of the European Parliament, it decided to incorporate in its amended draft the most important of the House's comments. In that letter it also gave some details concerning its recent draft.

Thirdly, in a debate on Mrs Orth's report on the directive on materials and objects which will come into contact with foodstuffs, the Commission stated that it accepted the amendments to Articles 2, 5 and 10 of its draft. I can now say that these amendments, endorsed by the Commission, have been well received by the Council.

Fourthly, with regard to the report on a regulation concerning the minimum amount of levies to be collected on certain processed agricultural products, I am happy to announce to Parliament that the Council, on 24 June, adopted the regulation in accordance with the wishes of Parliament.

Fifthly, the draft directive on pesticides, on which Mr Della Briotta presented his report to Parliament during the April part-session, has been amended to take into account the wishes expressed in this House, and accepted by the Commission.

Sixthly, the revised version of the draft third directive on company law, which was dealt with

Gundelach

in Mr De Keersmaecker's report, has been amended to take into account the wishes of Parliament, and it is hoped that the amended proposal will be forwarded to the Council before the summer recess.

13. *Simplification of customs procedure*

President. — The next item is a debate on the report drawn up by Mr Mitterdorfer on behalf of the Committee on Economic and Monetary Affairs on the customs union, including the programme for the simplification of customs procedures and the achievement of the internal market (Doc. 135/75).

I call Mr Mitterdorfer.

Mr Mitterdorfer, rapporteur. — (D) Mr President, ladies and gentlemen, when we talk about customs union and the achievement of the internal market we must be aware that we are only dealing with one aspect of economic liberalization, namely putting into practice the free movement of goods. The removal of customs duties has not caused the disappearance of border controls. Barriers to free movement of goods will remain in existence until the day that the free movement of persons, services, capital and payments become reality in the context of a mutual opening of national markets in Europe. We must also assume that the survival of the customs union and free trade in the common market will remain in danger if the Community does not take more urgent steps to approximate legal and administrative rules. The internal borders of the Community will remain tariff borders until national fiscal systems are harmonized. Border controls and their intensity are expressions of a lack of integration.

The Committee on Economic and Monetary Affairs hopes that this report will make a solid contribution to improving the integration process. The state of customs policy in the Community is still characterized by a vast number of customs controls. To quote only one example: three days ago there was a press report to the effect that the Federal finance ministry in Bonn had instructed German customs officers not to routinely wave people through but, on the contrary, to call for customs declarations and make examinations more frequently than before. People regard these complications and controls quite rightly as annoying, indeed as anachronistic. Since the customs union was set up 7 years ago an unbelievably complex Community customs system has developed. There are many reasons for this. I could mention the common agricultural policy with all its implications, the

special relationships existing between the EEC and EFTA countries, the system of preferences towards third countries and, finally, the welcome accession of three new countries to our Community. The customs authorities adjust only very slowly to the realities of the common market. Trade between one Community country and another is still often dealt with according to outdated national procedures.

To quote another example: we know of cases where national customs authorities apply obsolete regulations and charge duties on own account transport of goods across frontiers. Customs procedures are invoked which, since the existence of a common customs tariff, are no longer applicable, at least as between the original Community countries. Application of the common customs tariff, however, is not only complicated but also expensive. This in particular should give us food for thought during a period of economic difficulties.

The Commission was well advised to submit to the Council a programme for the simplification of customs procedures. This took place in spring 1975. Parliament should recognize that the Commission adopted many of the proposals for improving trade which were made to it during discussion in committee. The main aim of the programme is a revision of the nomenclature of the common customs tariff. In this way it will become possible to speed up computer processing and evaluation. The rules of origin are to be improved and the Community transit procedure further developed.

Moreover, it also aims at abolishing transit documents for goods in free circulation and making the guarantee system more flexible. Customs controls would be replaced by examination of companies' accounts, and transit advice notes abolished.

The Committee on Economic and Monetary Affairs is impressed by this programme. All that remains now is to hope that the Council will adopt these measures as soon as possible as their significance for the further development of the internal market warrants. They correspond to the logic and spirit of the Rome Treaties and are designed to adapt customs procedures to the needs of the increasingly interdependent economies of the Community.

The Committee on Economic and Monetary Affairs regards the Commission's proposals as a contribution to the consolidation of the customs union and as such as a further important step towards the achievement of the internal market.

The effects on the achievement of the internal market arising from the unsatisfactory state of progress in removing administrative and tech-

Mitterdorfer

nical obstacles to the movement of goods and services in the Community are cause for far greater concern. We still have completely isolated markets which will survive as long as there are administrative and technical obstacles operated by individual States. The Community is behind the times as regards mutual recognition of administrative controls, particularly in the areas of health and veterinary policy and plant protection controls. We frequently receive complaints about long drawn-out border controls which often last so long that the goods being transported go bad.

The Committee on Economic and Monetary Affairs has devoted particular attention to the progress in removing administrative obstacles in the field of the award of public contracts. Virtually no progress has been made here towards harmonizing legislation in the Community. The Commission is keeping an eye on the application of Council Directive No 71/305 of 26 July 1971 which governs the coordination of the public works contracts procedure. Even if few or no abuses have been noted until now, it still seems that this directive has yet to have any fundamental effect.

Generally speaking it must be said that there is still no real common market in the field of public contracts. A large part of the European economy still does not enjoy the benefits of an internal market. Experts who have made extensive studies of the procedures for the award of public works contracts for the Commission have come to the conclusion that an overall programme for this sector should be drawn up as a matter of urgency.

In principle—it seems to us—there are no technical or legal obstacles to opening up public markets for supplies to public authorities. However, the various national authorities see themselves as administrators of public funds and are more likely to prefer domestic suppliers; they regard internal procedures for awarding public contracts as an instrument for reviving economic life in a given sector of industry or a given region. On the other hand, Community competition in this sector of economic life, it must be said, would bring numerous advantages. It could help to improve industrial production quality and relieve the burden on the taxpayer; in addition the development of genuine European undertakings would be given a welcome boost.

In this context, it is to be regretted that the Council has still not adopted the Commission's proposal that there should be improved coordination of contract-awarding procedures for supplies to state authorities. Where the awarding of public contracts is concerned, general access to contracts awarded by the public service sector

is of particular importance. I am thinking here of railway undertakings, electricity works, postal and telecommunication services, etc. This sector in fact faces special problems. These undertakings have indeed, since the 19th century, been building up technical systems which are entirely national in character. Since their establishment, about 100 years ago, privileged relations have developed between the service undertakings and the supplying industry, and these privileged relations are in many cases still encouraged by state aid for research and development.

This disparity, which is primarily caused by national thinking, will make it extremely difficult for markets to be opened up and systems harmonized in the near future. Such projects are very expensive. Rapid technical progress in railway and communications technology is likely to make them more costly still. It should also be noted that a common transport system, for example, such as this House has called for in the Mursch report, can never be achieved if such markets are not opened up.

Since harmonization of various technical systems is expensive and will become more costly from year to year, Community action is urgently needed. The lack of liberalization in the field of public contracts lowers the quality of public services. The competitiveness of European technology on world markets will be jeopardized.

In my view, progressive liberalization of this field should be the subject of a Community programme. Such a programme should set out cooperation procedures and describe means of approximating national technical concepts. Funds provided by the individual Member States for research and development would thus be pooled. It is obvious that account must at the same time be taken of legislation on safety and the protection of the environment.

As regards the removal of technical obstacles to trade I should like to refer to the debates and resolutions of this House of 14 September 1974 and 10 March 1975. As you know the dismantling of technical obstacles has been delayed considerably during the past few years. We can see from the Eighth General Report that in 1974 the Council had still not adopted 59 Commission proposals for directives. This must be made very clear in view of the fact that the Council, on 17 December 1973, undertook to speed up its work in this field and to adopt between 25 and 30 proposed directives annually.

We should in these circumstances emphasize our view that the removal of technical obstacles to trade can only be accelerated by means of action programmes in the form of outline directives

Mitterdorfer

for the individual sectors and technical rules of application to be decided by the Commission pursuant to Article 155 of the Treaties. Here, as in other sectors, it appears that the Council lacks any economic strategy and the will to achieve political integration to make available to the nine Member States identical rules governing technical production. Such rules could without doubt contribute to lowering the costs to which certain sectors of the economy are subject as a result of their need to observe differing national rules of production.

At a time of economic difficulties of many kinds and the resultant fall in the competitiveness of a largely processing-oriented industry the still prevailing confusion of individual national administrative rules in the production field is a luxury which the Community, in view of falling employment and sales difficulties and their implications for the balance of payments situation of certain Member States in particular, can no longer afford.

In this motion for a resolution on customs union and the achievement of the internal market the Committee on Economic and Monetary Affairs wants to highlight the close links between a variety of apparently technical but in fact highly political questions. If these questions are not very soon solved in accordance with the terms of the EEC Treaty serious disadvantages are likely to result in the not too distant future for the development of Community policy in the various sectors of economic and social life laid down under the Treaty.

(Applause)

IN THE CHAIR: MR BORDU*Vice-President*

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

Mr Cifarelli. — *(I)* Mr President, I should like to begin by thanking the rapporteur for his very clear and comprehensive report. I would ask him to believe that this is not just another of the ritual compliments paid in this Parliament, but that it is intended as a serious appreciation of the work that he has put into this document. Indeed, this is only one of a number of similar important tasks carried out by him, as on several other occasions already Mr Mitterdorfer has taken it upon himself to be Parliament's spokesman on these very important questions.

As all my colleagues are well aware, the matter we are discussing is an extremely important one

and one that fully justifies Parliament's impatience for progress and results. During this part-session we shall be dealing with Mr Bertrand's motion for a resolution, which concerns itself with developments within the Community, both in regard to foreign policy and security.

Thus we are moving in the direction of political union, but we have not yet fully implemented the customs union, even though we are now a long way away from 1968, when all the stages of customs union were implemented, as far as the six original Member States of the Community were concerned. From 1970 onwards this Parliament has been raising the question, making appeals, voicing criticisms and further refining and developing its arguments on the matter.

I do not intend to go into detail on this, but I would like to go on from what I have been saying to pay a tribute to the European Commission and at the same time to make a recommendation to it. I should like to pay tribute to it for having submitted this action programme aimed at simplifying customs procedures and legislations as well as the methods used in carrying out customs formalities. This is valuable work, and the Commission is working out, sector by sector, an overall programme, as indeed the chairman pointed out in his statement on the various programmes. I am happy, therefore, to be able to pay a warm tribute to the Commission for drawing up this programme.

The recommendation I should like to make to the Commission in this connection is that it should try to get away from all the niggling details with which we, as a Parliament, are often plagued and instead press on with the task of getting more suitable Community machinery set up and adopted.

While we are on this point I should like to stress the need to make the widest possible use of Community regulations as an instrument for getting policy carried out. We are a political union in the process of formation, and these regulations are Community legislation of immediate binding force. I should also like to back what has been said by the rapporteur on the advisability of adopting framework directives, that is to say, Community rules which are binding on the Member States in the sense that they must adapt their own legislation to these rules.

This, in my opinion, is one of the major points that the group, on behalf of which I am now speaking, is fully agreed upon. It also agrees on a number of other points which I should like to outline right here and now. First of all, there is the importance of completely smoothing the way for the utmost freedom in passenger traffic and the movement of goods. These are the things

Cifarelli

that make the Community something practical and tangible and provide opportunities for simplification of formalities and reduction of costs, thus bringing us increasingly closer to the goal of a harmonious, balanced and practical development of the Community as a whole.

This is the kind of development the rapporteur had in mind when he urged the adoption of the proposal on coordinating procedures for the opening of the markets and on the problem of public contracts, a proposal, incidentally, which goes back to March 1973.

I must say that even in this Parliament we sometimes hear views expressed that are coloured by the now outdated idea that you can bring about a better economic set-up by means of regulations closing a particular market or part thereof. It is foolish to think you can beat inflation or its side-effects, such as unemployment, by making provisions to corner sectors of the market or even to close the market altogether in these sectors. We feel that the rapporteur was arguing along the right lines when he said—and indeed the Commission has taken his point on this—that production is rationalized and new and resourceful solutions to technical problems are encouraged when there is the possibility of access to Member States' public supply markets and public contracts.

The problem is a very pressing one. We have to remember that even in countries such as our own, where free enterprise and free market competition prevail, and rightly so, the private sector of the economy is coming to be more and more restricted in this day and age. There is continually increasing intervention by the public authorities—this is in the very nature of things and entirely in line with the historic development of our era. In my own country, for example, in past times the entire electricity sector was private, and it is only in the past ten years that it has become public, as is also the case in France and other Community countries. The requirements that have been stressed in this context are therefore very important, and indeed the European Parliament has adopted a very positive approach to this whole matter.

Naturally we do not want questions of detail to be entirely jettisoned, but it is clear that a general guideline must be laid down which will fulfil the basic need of ensuring that all movement of goods and services within the Community will enjoy a greater degree of freedom.

The simplification measures suggested are very important. A reduction in the number of headings and subheadings in the Customs Tariff, a simplified and more suitable nomenclature, simplified procedures under the common agricul-

tural policy with regard to customs duties, levies and refunds, less documentation both for authorizations and controls—these are all needs that are keenly felt in various ways and it is only right that we should dwell upon them.

There is one matter, however, which I should like to single out for special mention, and that is the Commission proposals on Community transit procedure. This is an innovation which has proved its worth, even in the few short years it has been in force, in that it enables customs duties to be collected not in the country to which the goods or commodities in question are sent but where they are actually used or consumed. The regulations on this matter have now been extended also to Austria and Switzerland. The idea of simplifying this system and extending it to other countries should be given a sympathetic hearing.

We are in complete agreement, therefore, with these proposals, with the aims stated and with the various regulations proposed and the time-limits suggested for their implementation.

The main point, however, that we are all agreed on in connection with Mr Mitterdorfer's report is that we simply must break ourselves of the habit of impulsively reaching back for the old customs systems whenever anything goes wrong. Sometimes this was done in an over-hasty manner, sometimes it was done in a calculated spirit of pious hypocrisy, but at any rate it is something that we can no longer tolerate in the Community. There have been times when agreement could not be reached on the adoption of customs procedures and recourse was had to administrative measures to devise obstacles, set up barriers and, in short, effectively sabotage the unity of the common market (the veterinary measures were a notorious example of this at one time). Some criticism on this point is voiced in the report, which lists some obstacles to trade of an administrative and technical nature and points to certain administrative and technical features that are submerged reefs capable of shipwrecking the entire system.

This is a matter, Mr President, on which one would need far more time than I now have at my disposal, if one wished to go into detail. But we are a political Assembly and we must take up some position on this question as a whole, and I feel that our position might be summed up as follows: we are in favour of the parliamentary committee's conclusions and consequently also of Mr Mitterdorfer's report. We feel that perseverance, farsightedness and diligence must be the watchwords for the road that lies ahead and that no stone must be left unturned to achieve a full implementation of

Cifarelli

the European common market, complete freedom of movement for goods and a streamlining of customs procedures.

We pay tribute to the Commission for having submitted a serious programme containing some very valuable features and we hope that the encouragement we have given in this debate will help to make this programme a reality in the very near future.

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

Mr Schwörer. — (D) Mr President, ladies and gentlemen, the Christian-Democratic Group thanks Mr Mitterdorfer for his excellent report and for the conclusions he has drawn in the resolution.

The customs union came into existence on 1 July 1968. On that day customs duties and quotas disappeared; we called it a decisive moment for our Community. The question is, was it in practice such a decisive moment and have people in the Community noticed a real improvement as a result of it? Trade undoubtedly became easier on 1 July 1968. That can be measured in terms of the percentages by which intra-Community trade has risen. Nevertheless, we should not be satisfied with what we have achieved. Since 1970 this House has been debating ways and means of removing the other obstacles to free trade. A whole series of resolutions demonstrates this effort towards achieving a better and more rapid integration of the common market. In doing this the European Parliament has not relied solely on Commission documents, but has also introduced its own initiatives and proposals, exemplified once again by this report which deals not only with the customs union but also calls with particular emphasis for the abolition of administrative and technical obstacles to trade.

Ladies and gentlemen, may I begin by making a general observation on the subject of duties in the Community. This House—and Mr Cifarelli has already mentioned the fact—was justifiably extremely concerned at proposals in certain Member States to reintroduce import restrictions a part of a package of economic measures. This, I think, is a case where, with all respect for the difficulties of certain member countries, one must say: don't let it happen! The great economic crisis in 1929 began with customs duties and isolationism, and understanding history means not allowing the same mistake to be made again.

Now to the details of the programme which we are discussing today. It is because we understand

how important the customs union was and is for Europe's integration process that we support its retention and its further development. We therefore welcome the fact that Mr Mitterdorfer has referred to the following points in his report:

Firstly, that the advantage accruing from the elimination of duties should not be destroyed through national fiscal and economic legislation and that the borders which were to have been dispensed with should not be retained or even strengthened through the implementation of customs frontiers. What is urgently required here is fiscal harmonization. However, I think that the national governments would do well, when changing their own tax laws, to consider how far such changes are in accordance with the integration process and whether these changes are going to result in greater or lesser disparities vis-à-vis the rest of the Community.

Secondly, in my view, the customs exemptions granted to private travellers within the Community should be constantly adjusted. Above all they should be logical and comprehensible. The German papers have been reporting a case over the last few weeks which I should like to pass on to the Commission afterwards—and I will be very grateful to receive their reply—which shows up the illogicality and arbitrariness of these exemptions in connection with the import of alcohol, and above all wine, so that one really cannot be surprised if people regard this customs union that we have set up as non-existent.

This is all the more true when people not only have to pay customs duties at the border but also have to waste valuable time as a result of red tape.

Thirdly, customs formalities pertaining to imports and exports within the Community must be harmonized and at the same time simplified. This applies both to tourism and trade. Unless customs procedures at the Community's external borders are not everywhere identical it may indeed be necessary to retain customs controls within the Community. Such a situation may also lead to traffic being rerouted and other activities being relocated, in absolute violation of the Treaty's intentions.

We therefore welcome the proposed simplification of the nomenclature of the common customs tariff to enable data-processing to be applied in this field. We welcome the improvement of Community transit procedure and harmonization of the delay provisions, all things which should improve imports and exports from one Community country to another and facilitate the joint operation of the external tariff wall.

Schwörer

I should like to turn now, my friends, to the subject of the abolition of obstacles to trade. It is proper and necessary that we consider this matter in this connection. Obstacles to trade create frontiers or maintain and strengthen them. We are well aware of that. In that sense they are not only technical and administrative, but also political barriers. We therefore welcome what Mr Mitterdorfer has proposed, namely the mutual recognition of controls, of health, veterinary and plant protection controls. Such recognition is long overdue.

Moreover, it really is time that the award of public contracts were harmonized. Each undertaking in a Member State must have the same chances. More competition will lead to better quality and also to more reasonable prices. I do not deny, however, that this could also conceal dangers, particularly if individual member countries were to take measures for the exclusive benefit of their own undertakings. This danger is particularly real where a nationalized undertaking in a particular country is concerned. I should like to call upon the Commission to take very great care in this connection to ensure that particularly the small and middle-sized firms in other Member States are not put at a disadvantage. What I want to see is fair competition in which all Community undertakings have the same chances in bidding for public contracts.

And one more point: harmonization of technical regulations. This is an important condition for fair competition and for general participation in it. The Council should, as Mr Mitterdorfer suggested, make this action programme the subject of outline directives pursuant to Article 100 of the Treaty and leave its implementation to the Commission. We are fully in agreement that this would finally lead to these provisions being more rapidly introduced.

We are also fully aware that the free movement of services and capital must be added to the free movement of goods. And we also support what was said here about a common transport policy. We are all aware of the significance, particularly for the integration of an economic sector, that freedom of establishment in each country for transport undertakings, harmonization of the receptacles for transporting goods and of social provisions in the transport field would have.

In conclusion, ladies and gentlemen, I should like to give a special welcome to paragraph 16 of the resolution. This should not be merely a formality but should be taken by us to mean what it says. We shall keep ourselves continuously informed on the development of the customs union and the achievement of the in-

ternal market. Unfortunately some of the proposals which we work out together with the Commission spend years at the Council before they enter into force. This is something we ought not to tolerate indefinitely.

We shall, just as happened in the last report on the matter in this House about a year ago, repeatedly call upon the Commission to meet at regular intervals with customs administrators and also with business experts. The aim of these meetings would be to see where improvements can still be made so that we can finally have the genuine customs union which 250 million Community citizens expect, covering our entire economic area.

My honourable friends, even if some of you perhaps have your doubts, we as parliamentarians should seize every initiative we are presented with and indeed become initiators ourselves wherever we can, in order to bring about improvements in tourism and trade. It is my belief that what we can improve in this field—take the green insurance card as an example—will probably bring us more popularity than many a resolution on some highly political matter. A determined struggle to bring improvements in this sector, which directly affects just about everybody, until we finally achieve the total abolition of all controls, formalities and restrictions within the Community, would in my opinion bring this Parliament a great deal of popularity. What is more, however, the people of Europe would increasingly come to see and experience this Community as a reality for which it was worth making sacrifices.

My group supports Mr Mitterdorfer's report and is in full agreement with the motion for a resolution.

(Applause)

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

Mr De Clercq. — *(F)* Mr President, ladies and gentlemen, as the third speaker on this subject I can be brief, for the essential points have been made.

I want first of all to congratulate Mr Mitterdorfer on his excellent report. The sole object of my short intervention is to give strong support on behalf of my group to his conclusions.

The customs union and the achievement of the common internal market are economically and politically of fundamental importance. Greater freedom of movement of goods was attained from 1 July 1968, when the customs union was introduced, the remaining intra-Community duties were abolished and the common customs tariff was adopted.

De Clercq

But does this customs union exist in reality? In other words, does the Community have the necessary instruments to ensure that the common customs tariff is uniformly applied and that its commercial policy towards third countries is implemented?

The adoption of tariff measures is but the first stage in the construction of the customs union. The achievement of a genuine internal market presupposes considerable progress in the harmonization of economic and fiscal legislations, lack of which results in a multitude of frontier controls. These, in turn, cause difficulties and delays in customs clearance of goods. The result is compartmentalization of markets, particularly public contract markets.

To remedy this we support the Commission's action to improve and simplify customs procedures and formalities concerning nomenclature, customs valuation and customs clearance of goods. It is also necessary to abolish administrative and technical obstacles to trade which still persist despite the elimination of the traditional obstacles. The customs union will be in jeopardy as long as the process of economic integration remains inadequate. Until harmonization of structures and taxes is achieved, obstacles to trade will persist.

These facts have to be stated on the eve of a historic debate that is to take place in this House on European Union and the future of Community institutions.

(Applause)

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

Mr Normanton. — The European Conservative Group extends a very warm welcome to the report in the name of Mr Mitterdorfer, and compliments him on the way in which he presented it.

The creation of a full and free Community market, which is what the report is all about, is surely the first of the series of major milestones which must ultimately lead along the road signposted 'Economic, monetary and political union for Europe.' We must recognize that, as the report spells out very clearly, the Community has taken but the first few faltering steps towards this first major milestone. We have tried, and are still trying, to proceed by legislation alone, legislation on technical and commercial specifications and procedures, whereas in general we must admit that industry, individual companies, technology and technologists, and traders large and small, are showing that their thinking and acting are way ahead of politicians and governments.

As a politician, I regret to have to confess that governments tend to be much more effectual in building obstacles than in setting them aside. In this context I draw attention to a speech I gave on 14 March this year, when we were debating another report in the name of Mr Mitterdorfer, this time relating to a number of technical specifications on which harmonization was being sought. I believe that the way in which we should proceed with harmonization in technical and commercial terms is to give industry and traders the maximum scope for the exercise of ingenuity and enterprise and to place upon them obligations which are binding in terms of an objective. The objective that I want to see is the placing before industry of certain target dates by which industry, by collaboration throughout each of its major sectors, sets aside obstacles which undoubtedly stand in the path of an expansion and enlargement of the internal market.

In this context, I hope that the Commissioner will recognize the extremely valuable role, which I believe may become still more valuable, which trade associations and industry associations accredited to the Community can be encouraged to play. This must happen.

The Community may issue directives and regulations about customs barriers—these were referred to in the Mitterdorfer report—but the continued evidence, the outward sign, of these historical barriers, still remains in the form of customs officials and posts. I earnestly hope that before too long we, as parliamentarians, as members of this great Community, will find it possible to abolish the physical existence of these customs posts inside the Community. The abolition of customs posts and officials will have a tremendous psychological impact on the peoples of Europe when they begin to see that we are moving along the road to the creation of one economic unit.

As far as paragraph 8, indent 2, is concerned, the reference to certificates of origin and the need for simplification of them is undoubtedly seen by Mr Mitterdorfer to be extremely important. We in the European Conservative Group strongly endorse that opinion, bearing in mind the debate which took place in this hemicycle only three weeks ago on the subject of textiles. I urge the Commission to look once again at the procedure and at the rules laid down for certificates of origin under the Stockholm Convention about 16 or 17 years ago. Although the reference to certificates of origin and the definition of origin has a good deal more relevance to the Lomé Convention, I am certain that they are of considerable importance if we are to achieve a full and free circulation of textiles within and throughout the Community.

Normanton

Following on the points raised under paragraph 8, in which documentation is referred to, I wonder whether the House has noted and is aware of the fact that for a shipment of goods from Dover to Calais—a distance of 40 kilometres at most—there is twice as much paperwork required as there is to ship the self-same goods from London to Melbourne. This surely is an idiocy which we can ill afford.

Although I welcome paragraph 15, which refers to the framework directives—here I know that Mr Mitterdorfer is trying extremely hard to find not only the words but the format of a system which will enable us to deal with the problem—I confess that I am considerably sceptical whether the full process of consultation with all concerned can be effectively achieved.

Community legislative instruments and procedures give rise to enough difficulties at Commission and European parliamentary level, but they give rise to far greater problems—I can assure the House—in the parliaments of Member States than may be generally appreciated. In my own parliament—the House of Commons—a system has been established called a Scrutiny Committee. It is a valiant attempt to be constructive but critical, but it means that an enormous task faces the members of that committee when they are examining or considering legislative instruments, regulations and directives which emanate from the Commission. I urge the Commission to help those Member States' parliamentarians who feel that it is of considerable importance to give as much advance warning and as much notice as possible to the Member States, and their parliaments, of Commission intentions and Commission proposals before reaching the stage of drafting such instruments. It is by the process of giving advance notice and advance warning, alerting and seeking consultation, that many of the anxieties will be set aside at parliamentary level in Member States.

I welcome Mr Mitterdorfer's reference to public supply contracts. When we have, working throughout the Community, full and free access to both tendering and carrying out contracts for public authorities, that will be the hallmark of progress. We have a long way to go here. At the same time we have to recognize that if the economy of Europe is to achieve anything it has to have a full, free and open market. Only in such conditions, in such a vast market, can the economies of scale which are open to the industry of Europe really produce the benefits which the peoples of Europe rightly expect to flow from the enlargement of this Community.

Lastly, I need hardly remind the Commission, the House awaits the statement on industrial

policy which must undoubtedly be an important ingredient in the proposals for creating this wider, freer and richer market of the Community.

I earnestly hope the Commissioner in his reply will give a specific assurance to the House that we shall not wait very much longer before a statement on this point is made.

(Applause)

President. — I call Mr Leenhardt.

Mr Leenhardt, *Chairman of the Committee on Economic and Monetary Affairs*. — (F) Mr President, ladies and gentlemen, I had intended to emphasize the political and economic implications of the resolution before us. But having heard Mr Mitterdorfer's excellent report and the speeches of our colleagues who have fully stressed the importance and urgency of the simplification for which the Commission asks, I shall desist from making a speech and shall confine myself to the statement that our committee adopted Mr Mitterdorfer's report unanimously and expressed the hope that the Assembly would share our concern to induce the Council of Ministers to act with greater despatch and resolve in this matter.

(Applause)

President. — I call Mr Schwabe.

Mr Schwabe. — (D) Mr President, I congratulate the rapporteur, Mr Mitterdorfer. I only want to say a few words on one part of this report, which seems particularly important to me because it plays in some countries a large and in some countries an even larger role and is of great significance for all of us on the road to Europe. I refer to international tourism.

Europe means freedom. It is not only free trade, but also the freedom of 250 million people, and not only their freedom to cross frontiers. It is here in particular that international tourism is of particular significance. It supplements imports and exports within the Community. Part of international tourism should include a fair degree of freedom to import goods, particularly typical articles which a guest may bring from his home country as a gift for his host abroad. On his return the tourist will want to bring with him foods, confectioneries and typical products of the country he has visited. In doing so he will want to reflect the experiences of his holiday or study trip in gifts for his friends, his family and himself.

We can be very grateful in the field of tourism for the liberalization of insurance procedures—

Schwabe

Mr Schwörer referred to the green card. We can also welcome the increase in the duty-free allowance to 125 u.a. Indeed, I would welcome all improvements, and all measures adopted by the Council, which promote the bringing together of people through international tourism in Europe.

The more freedom and the more pleasure 250 million Europeans have in travelling, the more certain will be their support for the final implementation of the European Union. Let us look at tourism as a sector of the economy in the same way as, say, the textile industry is, and let us look at it in particular as peoples' freedom. There is still a major difference between whether one can ship goods or whether people, acting as they see fit, can cement friendships across the continent and so help towards the attainment of European Union.

(Applause)

President. — I call Mr Gundelach.

Mr Gundelach, Member of the Commission. — First, I thank the Committee on Economic and Monetary Affairs and in particular Mr Mitterdorfer for the report on the simplification programme and on the internal market.

Let me deal with the customs union first. A customs union is more than the mere abolition of internal tariffs and the establishment of a common external tariff. This has already been obtained between the six original Member States and will be obtained between the nine present Member States in two years. A customs union, however, will not be a reality until border controls and formalities have been abolished to such an extent that it is as easy to send goods from London to Paris as it is from London to Manchester.

That goal has not been achieved. The reasons are many. Some of them are very fundamental, such as the controls necessitated because of differences in taxation, in health legislation and in other types of legislation. Others are of a more administrative and legislative nature, but no less important. Let me mention some of them.

First, the tariff itself is very complicated, owing among other things to the many and varied trade arrangements into which the Community has entered with a great number of countries. In order to meet requests for differentiated treatment, tariff positions are split up into sub-positions and sub-sub-positions, which makes use difficult for the customs administrations as well as for the customers. In future trade negotiations we must focus attention on this problem. We must weigh whether it is worth the admin-

istrative burdens and the economic costs involved to lower, in tariff negotiations, by just one percentage point. Our calculations so far have indicated that the answer is negative.

As mentioned, the rules of origin are not as easy to apply as we would like them to be. We are therefore sincerely attempting to find formulas for improvement.

The same, as you know, applies to rules of transit. The complications of the common agricultural policy, due among other things to constantly changing exchange rates, cause a great deal of extra administrative work. The Commission is trying to deal with this problem, which you will admit is a fundamental one, at its root and not solely with the symptoms.

The customs legislation of Member States varies a great deal. Approximation of this legislation is therefore one of our priorities. That has proved difficult to obtain. Member States have been reluctant to accept it. They do not in my view in effect accept the existence of a customs union. They consider customs union as an addition to the existing national customs administrations. As long as this is the case, we shall be burdened with unnecessary administrative difficulties. As long as this is the case, I have difficulty in taking those statements about the European Union as being terribly serious.

The benefits of progress in the broad field of trade facilitation and simplification are, however, considerable. Administrative cost for traders has been estimated to be of the same order as the average tariff protection given by our present tariff. In terms of money, the annual costs amount to 13 000 million u.a. A reduction of 1 per cent accordingly means savings for consumers of about 130 million u.a. Even taking into account the possibly lower cost of the intra-Community trade, which is of the same order as external trade, we are still talking in terms of very considerable potential savings to everybody.

I warmly welcome the support of the European Parliament for the Commission's simplification programme. The Commission in its efforts to persuade Member States and customs administrations of the importance of simplification and facilitation of trade needs this support not only, important as it is, in a resolution of Parliament, but also very directly from Members of Parliament using their influence to persuade their home countries to move rapidly in the direction of a real customs union.

I now turn to the problems of the internal market which naturally are linked with the problems of the customs union. As with the customs union, the construction is far from perfect. But

Gundelach

it is important to note that it has nevertheless stood up remarkably well even under the great pressures of present economic and social conditions. Indeed, we are making some solid progress with our industrial programme, passing important directives to eliminate technical barriers to trade.

I have here in this Parliament said time and again—and I repeat it today—that we are not harmonizing for the mere sake of harmonization. To eliminate technical barriers to trade is to the benefit not only of business but of every citizen by giving the consumer the maximum choice of goods. But it does more than that. A strong internal market with fewer technical barriers is of growing importance to the Community's external trade relations.

During my recent talks in the United States with representatives of the United States administration, Congress and industry on the ongoing multilateral trade negotiations, it became very clear that the Community's achievement in this area is regarded not, as it is often regarded in Europe, as a tedious and boring exercise, but as something which is strengthening the Community's position very considerably and therefore is of very real political and economic importance.

The report calls for a simplification of the procedures for the adoption of our directives in this sphere. I agree that this is very desirable. The directives, as we all know, are often of a highly technical nature, containing provisions which are very hard to grasp for someone who is not an expert.

However, the economic significance of seemingly petty details is, as various speakers have underlined, often far-reaching. Member States and their experts are well aware of this. Therefore there seems to be an increasing tendency on the part of Member States to insist on stringent procedures on adoption and adaptation. This tendency runs counter to the wishes of both the Commission and the Parliament for simplification of these procedures—for example, by introducing framework directives based on Article 100 of the Treaty, leaving it to the Commission, on the basis of Article 155, to adopt implementation measures.

At this time such a solution is not politically acceptable to the Member States, but I renew my pledge not to stop trying to find a more satisfactory solution to this very real problem. I note with satisfaction the appeal of the rapporteur to Parliament to influence the Council to adopt a more positive attitude towards a more effective decision-making mechanism. Whatever responsibilities the Commission has

or will have in this area in the future will, I assure you, be met in a way which secures the fullest and most open public debate, including dialogue with trade, industrial, consumer and other interested organizations.

In its report, the Commission has dealt with the problem of the European Union. While the debate on this subject goes on, it is essential to carry on, however clumsily, with concrete, down-to-earth work if we are not to lose the significant economic and social benefits which the common internal market has brought to the European citizens—one of the few European achievements so far.

I draw the attention of Parliament to another problem related to technical barriers. It is becoming increasingly evident that at European level we have little possibility of obtaining expert advice from an independent institution or institutions. We rely heavily on advice from national experts. This is particularly unfortunate where Member States, under the heading of 'Protection of the Environment and Health', introduced standards which at the same time constitute, willingly or unwillingly, new technical barriers to trade. We must, even in present economic conditions, avoid new European trade protectionism. Both Parliament and the Commission need balanced and objective advice in this area which will allow us to pursue simultaneously our efforts to include the environment at a European level and to remove technical barriers to trade. I feel convinced that we shall soon have to give more substantive attention to this problem.

With its industrial policy programme, the Commission has already met the wishes expressed in the report for the establishment of a comprehensive programme for tendering or for public works contracts and we are carefully following the implementation of our directive. I welcome Parliament's support for the rapid adoption of our directive on public procurement which is being discussed in the Council.

I thank Mr Mitterdorfer and the Committee on Economic and Monetary Affairs for this important report which clearly demonstrates the consensus that exists between the Commission and Parliament on the need to strengthen the customs union and the internal market which, after all, are both absolutely fundamental to the cohesion of the Community and its future development. But I would add that it has become clear in the present economic situation that this internal market, which, for all its imperfections, has served the people of Europe and European industry well for more than a decade, cannot be upheld unless we are willing to go forward in other fields of European construction—for

Gundelach

example, in general economic cooperation, in monetary policy, in regional policy, and so on; in other words, in the direction of building a European society which is based on the concept of solidarity.

If we remain a mere trading association we will crumble under the weight of the structural problems with which the world economy is faced. Let us preserve and perfect what we have, but we must move forward in other areas in order to do so.

(Applause)

President. — I call Mr Normanton.

Mr Normanton. — Is the Commission in a position to declare a date when the statement on industrial policy will be forthcoming?

Mr Gundelach, Member of the Commission. — I think there must be a misunderstanding. An industrial programme was submitted in 1973 to the Council and acted upon by the Council at the end of that year. As far as the simplification of the customs union is concerned, a total action programme was submitted to the Council in spring this year. So, in regard to both these areas, we are acting in accordance with the full programme which, in both cases, has been submitted to the Council.

President. — I call Mr Normanton.

Mr Normanton. — I was not challenging the Commission or questioning historical fact. I remind the Commissioner that earlier this year Mr Ortoli stated that there would be a policy statement covering the industrial policy of the Community and that it would be forthcoming later in the year. It is that statement that I am asking about. I am hoping that we may be given a date for publication.

Mr Gundelach, Member of the Commission. — I think that such a statement will be forthcoming from the Commission in the early part of the autumn. But, as to the subjects which we have been discussing this afternoon, I should like to underline that work is going on day by day, week by week, and not waiting for any further programmes to be adopted or submitted to anybody. It is an ongoing business, and will continue to be.

President. — I call Mr Mitterdorfer.

Mr Mitterdorfer, rapporteur. — (D) Mr President, I shall be very brief. I should like to thank all the speakers for their views, which are in

broad accordance with the motion for a resolution and with the work we in the committee have done and require no further observation on my part. It would appear that opinions differ only with regard to paragraph 5, in that there seems to be some doubt as to the effectiveness of the form of words proposed by the Committee on Economic and Monetary Affairs. I think that the committee would nevertheless want to stick to this proposal. If it should only lead to new proposals being put forward to facilitate, improve and speed up the work, then it will have had its effect. Whatever happens, we feel that we should leave this paragraph as it is for the moment.

Mr President, I should also like to thank the Commissioner for his remarks. I think that our cooperation in this field was excellent and we hope that this will go on being the case.

There is one more thing I should like to say, Mr President, and it concerns the title of the motion for a resolution. I should like a small change to be made here so that it corresponds to the usual form; it should read: motion for a resolution on the customs union embodying the opinion of the European Parliament on the programme for the simplification of customs procedures and the achievement of the internal market. The words 'embodying the opinion of the European Parliament' should therefore be added. I think that would be the proper title for the motion for a resolution. Could I ask you to have this change made by the secretariat?

President. — The rapporteur has proposed an editorial change to the title of the motion for a resolution.

Are there any objections?

The change is agreed.

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

The resolution is adopted.¹

14. Recommendations of the Joint Parliamentary Committee of the EEC-Turkey Association

President. — The next item is the debate on the report drawn up by Mr Klepsch on behalf of the Associations Committee on the recommendations of the Joint Parliamentary Committee of the EEC-Turkey Association adopted in Copenhagen on 24 April 1975 (Doc. 182/75).

I call Mr Klepsch.

¹ OJ No C 179 of 6. 8. 1975.

Mr Klepsch, rapporteur. — (D) Mr President, honourable Members, in presenting my report I should like to adhere to the new guidelines prepared by the Bureau, and in doing so I shall take it that everyone has seen my written report, in which I have tried to explain the problems and the committee's position. I shall therefore confine the additional detailed remarks and comments that I now want to make to those areas in which it is apparent that some explanation would be useful.

I should like to start by saying that our new method of working, which involves stimulating the general debate by including on committee agendas a special report on a controversial subject, has proved successful. I want to emphasize that this has not resulted in our becoming involved in an irreconcilable conflict with our Turkish partners, but that the problems of the association, the question of investing in Turkey and the question of freedom of establishment in Turkey was evaluated in a very positive spirit by both sides.

On the subject of working procedures, I should also like to add that we are not entirely satisfied with the work of the Association Council, and although this is apparent from the resolution I should like to make the point somewhat more boldly here. We regret that the Association Council, in view of the events which have taken place in the Mediterranean and particularly in the Turkish area in the recent past, has not met at all. However, we have noted with some satisfaction—I should add this at once—that we finally have the answer of the Turkish Government to the whole question of Article 39. We hope that this matter, which has occupied us in several committee meetings, can thus be satisfactorily resolved. As you will recall the Community had made Turkey an appropriate offer to negotiate on Article 39 and its implementation.

We must add that on the first day of the discussions the central themes—how could it have been otherwise—were political in nature and included in particular the Cyprus question. You will find a very considered statement in my report which says that we not only agree with our Turkish friends that the independence and sovereignty of Cyprus must be guaranteed but that we also agree that individual citizens and ethnic groups on the island are entitled to identical fundamental rights, as laid down in the UN charter.

I should however like to emphasize our satisfaction that the Turkish and Greek governments are continuing their talks, which began as early as last April, on finding a solution to this problem. We do not want to prejudice these negotia-

tions now by a debate on the subject but we hope that they will lead to a satisfactory conclusion.

At its last meeting the committee gave further thought to the questions of Greece's application for EEC membership. As you know the original Association Agreement with Greece envisaged accession by 1984, and the Agreement with Turkey specified 1995 as the date of accession. From the start it was never planned that the accession of these two countries should take place at the same time. So this is a matter which, as we see it, raises no new difficulties, particularly since we have been expressly assured that Greece has declared from the start that, in the event of an earlier accession, it would in no way want to block Turkey's accession.

In conclusion I should like to add that the formation of a majority government in Turkey and thus the replacement of the transitional government without parliamentary backing has considerably improved matters. We were particularly pleased to note that no less than 4 members of the Turkish part of the EEC-Turkey Joint Parliamentary Committee are members of the new cabinet. As we see it this will lead to greater understanding of the problems connected with the association which remain to be discussed.

May I make just two more points, Mr President. The Committee on Agriculture delivered us an opinion which we only received at a very late date. We did however consider it at our last meeting. But we did not feel, in connection with this report, that we should adopt a completely new position as regards the overall Mediterranean policy. We have stuck to the position we have held up to now; because I do not think it is possible, as regards the further expansion of the Association, to ask our Association partners to wait until an arrangement has been made with all the Mediterranean countries. So I should like to emphasize that we ought not to change our opinion.

One final observation appears relevant: it is quite correct that the gap has widened still further for the Turkish side. Seen relatively, however, the gap between the other countries and Turkey as regards imports and exports to the Community has increased still more, so that the Community remains the most appropriate and advantageous partner for her. There are many reasons why, despite the efforts of both sides—the gap has widened. The overall world economic situation and in particular energy prices have of course played a decisive part. But there is also no point in concealing the fact that Turkey's military engagement in the Mediterranean area has been accompanied by certain

Klepsch

financial problems for the Turkish economy. We believe that the Community's efforts to make possible a more rapid development of Turkey's relations under the Association could certainly be intensified; it is something both sides must contribute to.

I would like once again to stress my pleasure that the problem of Article 39 can now finally be solved and I hope that the renegotiations, particularly on agricultural products and on the financial protocol will lead to the desired results. The committee is particularly anxious to receive the Association Council's report before the next meeting of the Joint Parliamentary Committee, so that it is in a better position to hold detailed talks on the basis of the latest material.

That one extra point was also the last I wanted to make, Mr President.

(Applause)

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

Mr Hansen. — It is usual, in the tradition of this Parliament, that the Chairman of the EEC Joint Parliamentary Committee takes part in the discussion of the recommendations on behalf of his political group, but as our Vice-President, Mr Walter Behrendt, has at this moment important commitments in the Parliamentary Bureau meeting, it is a great honour for me to say a few words on his behalf.

First, I would like to congratulate and thank our rapporteur, Mr Klepsch, for his interesting and very open-minded report. One most important fact mentioned in his verbal report on behalf of the Associations Committee on the four recommendations of the EEC-Turkey Joint Parliamentary Committee adopted in Copenhagen is the ambience and the spirit in which our Turkish friends and our honourable delegates of this Parliament were trying to find lasting solutions to the many existing problems facing us politically, institutionally, economically, commercially, and, last but not least, in social terms, where the desire was reiterated over and over again to see the provisions of Article 39 fully implemented without further delay.

The delegates of my group, represented in Copenhagen, were very much impressed by the statement of the Turkish Foreign Secretary-General—Mr Elekdag—reiterating the Turkish endeavours to find a just and lasting solution to the existing political problems, and especially the problem concerning Cyprus.

Therefore, my group welcomes in this context the willingness expressed to find a peaceful

settlement of the problems confronting us. I can assure our Parliament that the Socialist Group will do everything it can in order to strengthen the links established between the Community and Turkey over the last few years. It is our sincere wish that the work of the Association organs must be intensified and their working methods and decision-making powers adapted to the new realities which we are facing today, and especially now, after the latest development, which I shall not cite here in detail.

Concerning the opinion of our Committee on Agriculture about the advantages which will be given to Turkey for the import of certain agricultural products, the Socialist Group can generally agree. But my group cannot fully follow the views of the rapporteur, Mr Vetrone, in his remark, in point 8 of the above-mentioned opinion, that:

'In this context it is clear that granting Turkey "at least the highest level of advantages enjoyed by third countries" is logical and justifiable only if for each individual product the situation is viewed globally and not country by country.'

Formally speaking, the relationship with Turkey, as an associate country, is different from that of Israel and the Maghreb countries, for instance.

My group does not wish to make a friction point out of this, as we know that any further concessions to agricultural products from the Mediterranean area raise a certain number of problems, since they compete with other similar products cultivated in Mediterranean countries. Some members of my group, however, want to express their feelings that the agreements in the Council of Ministers in Luxembourg, concerning the safeguards for special agricultural products from third countries in the Mediterranean, give the impression that the EEC is advancing right now into a much too protectionist and autarkic orientation.

(Applause)

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

Mr De Clercq. — *(F)* Mr President, ladies and gentlemen, I warmly congratulate Mr Klepsch on his report, which is essentially concerned with the recommendations adopted in Copenhagen in April. He was thus not able to take into account recent developments which have considerably changed the diplomatic scene in that part of the Mediterranean, namely Greece's request for accession to the EEC, the internal difficulties which the government in Ankara is currently experiencing, or the conclusions which

De Clercq

the EEC-Greece Joint Parliamentary Committee reached at its meeting in Athens at the end of June.

The work of the Joint Parliamentary Committee, which last met in Athens from 25 to 28 June 1975, and private conversations with politicians I was able to meet have convinced me of the single-minded European commitment of all the political currents in Greece. The two parties which dominate the political scene in that country have, right from the beginning of their electoral campaign, declared themselves in favour of Europe.

Even the parties of the left subscribe to the European idea, despite certain reservations arising from a fear of the power and activities of multinational concerns.

I think it appropriate to draw your attention to the fact that this European orientation is due, on the one hand, to the feelings of kinship and affinity and the very strong links which have always existed between Greece and Europe, and, on the other, to the vital need to fill the vacuum created by a dictatorship which had put Greece under the 'almost exclusive' sway of one of the superpowers.

The European commitment of Greece is thus based on a 'positive will', and not on any negative reaction to other regions or countries of the world with which Greece might find itself in confrontation.

To understand clearly the position of Greece, it should be recalled that the application for accession is not in the least concerned with the differences which exist between that country and Turkey. The application was put in by the Greek Government in consideration of the benefits and advantages which its membership of the EEC could bring.

And, in fact, the possible accession of Greece to the EEC has implications far beyond this conflict, which—though critical in itself—should be of short duration.

This is why the Greek Government and the leading politicians in that country have stated with conviction that Greece's accession to the EEC could contribute to resolving the differences with Turkey. Greek politicians have undertaken not to oppose the possible accession of Turkey to the EEC if the solutions demanded by the Association Treaty are respected.

Similarly, they have stated that membership of Greece in the EEC could make a large contribution to the solution, in a spirit of democracy and peace, of the problems which today divide these two eastern Mediterranean countries.

It is now, therefore, important to discover reactions of the Turkish Government to this initiative; at the meeting in Tatvan in September next we should do our best to convince the Turkish side that the initiative should not be interpreted as an attempt to improve the Greek strategic position.

Economically, the Greek application for membership is justified, since the Greek gross national product is comparable with that of some EEC Member States; besides, during our visit to Athens we were able to see the effort that is being made in the industrial sector.

Undoubtedly, there remain obstacles to overcome. But the accession of Greece would improve the overall Community balance in the South and the Community's strategic position in the Mediterranean, without in any way undermining the effort of europeanization which the Turks have been pursuing since the time of Atatürk.

This development could ultimately be equally beneficial to Turkey for in the long run it too could join the Community. At the same time, it would permit the effective take-off of a Community Mediterranean policy worthy of the name.

It has to be said that, so far, we have been passive spectators of the events in that part of the world; we have been unable either to prevent or to stop the conflict in Cyprus between two of our privileged partners.

The Community, without undertaking the task of mediation, which is, indeed, not required of it, should concentrate its diplomatic efforts on achieving the implementation of the United Nations General Assembly and Security Council resolutions. It is thus that, as stated in the recommendation adopted in Athens by the EEC-Greece Joint Committee, a satisfactory negotiated solution should be found for the two communities in the island and progress made on the return of the 200 000 refugees to their homes.

That is an indispensable condition for the re-establishment of a just and lasting peace in this part of the Mediterranean, where the use of force should finally give way to a spirit of cooperation.

Like Mr Klepsch, we consider that it would be desirable to strengthen political consultations between the EEC and Turkey in order to prevent all misunderstanding, especially in regard to any future actions in the Mediterranean. Analogous steps have just been taken with respect to Greece. It is now time to pass from the stage of information to that of consultation, on the pattern of the process which took place with the three applicant members of the Community before its enlargement in 1973.

De Clercq

Likewise, we consider it a happy initiative to organize each year a meeting between Turkish parliamentarians and the representatives of the various political groups, which are the fulcrum of the European Parliament's activity. The political groups as such should be constantly and increasingly involved with the policy of association, as was the case at the recent Athens meeting where the political groups were heavily represented.

The Liberal and Allies Group also supports Mr Klepsch's proposal for the protection of the 700 000 or so Turkish workers employed in the Community. A very detailed document on this subject will be debated during the present part-session: I mean Mr Albers' report which envisages an extensive action programme in favour of migrant workers and their families.

Side by side with security of employment for Turkish workers which, in a period of bad economic conditions, is a priority objective, we wish to recall the need for social security, freedom of movement and establishment for workers and their families in the Community, the need to follow courses, particularly language courses, and vocational training, as well as the necessity of improving social services and housing conditions. In a word, the whole social welfare system of the EEC must be applied to Turkish workers and we must ensure that the recession in Europe does not rebound unfavourably on Turkey's development.

To conclude, the reciprocal privileged relationship must be maintained and, as far as possible, improved. We are privileged partners of the Turkish Government, a fact confirmed by the import-export ratio which approximates 50% thanks to low customs duties on Turkish imports and zero duties for exports. At the same time Turkish agricultural products enjoy preferential treatment and the loans granted by the European Investment Bank are very considerable; they amount to 267 million dollars in one year and their symbolic monument is the Bosphorus bridge.

Our Turkish partners need not fear that closer links between the EEC and other Mediterranean countries, notably those of the Maghreb, will have unfavourable repercussions on this privileged relationship of which I have spoken. On the contrary, they are a necessary condition for the achievement of a genuine policy in that area. The development of relations with the Mediterranean countries, which for many years has been at a standstill, has now been given a salutary impetus. It is to be hoped that our governments will prove themselves equal to

the new situation and will be able to transform these positive beginnings into viable solutions. *(Applause)*

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

Mr Corrie. — On behalf of the European Conservative Group, I welcome the report and compliment Mr Klepsch on it. It is a very deep and full report, covering every aspect of the meeting that we had in Copenhagen. I had the pleasure and honour of being on that delegation, when we had a very full meeting with the Turkish people who were there.

There is no doubt that personal contact is the only way to get a real insight into any situation. That is even more true in the complex situation in this area of the Mediterranean, where the problems are both within Turkey and between Turkey and her neighbour Greece.

As associate members, those two countries are part of Europe. We look forward to the day when they are both full members of the Community. But there are many major problems to be sorted out before that day comes. Turkey's economy poses the same problem as that of most other European countries, and there is a drastic need for industrial development and investment within that country.

The Turks are worried that they are not yet economically strong enough to join the Community, but that Greece has now applied. What they do not want to see is any disadvantage to Turkey if Greece is successful in her application within the next few years. There is a real fear in the hearts of many of the Turks to whom I spoke there, and others to whom I have spoken since, that pressure could be put on them from within Europe by Greece if Turkey is not a full member. I am sure that we in this Parliament would see to it that that never happened.

We are all working to ensure that those two countries will eventually settle their differences and play a full part in an enlarged Community, but that can never happen until a solution is found to the Cyprus problem. No effort should be spared by the Community towards that end. It should help in any way possible. Already the food aid programme is helping. I hope that that aid is reaching the areas where it is most needed in both communities in Cyprus. We must look at other ways of meeting the problems of both communities on that strife-torn island. The seemingly insoluble problems must be solved.

We must strengthen our links of all kinds with Turkey. The more contact we have with delegates, such as we had in Copenhagen, the

Corrie

greater the understanding we shall have of the economic and external problems of that country. There was much discussion in Copenhagen about the problems of foreign investors in Turkey. The delegation welcomed the position of the new Turkish Government, who in principle looked forward to an increase in the role of foreign private investment in Turkey. We hope that this will allow the Turkish authorities to introduce a more rational procedure in this area. That is vital for the future development of Turkey.

The hope was also expressed in Copenhagen that the Turkish authorities would grant better facilities for private investment from the Community compared with capital from third countries, and that in particular the numerous formalities required to obtain investment permits would be made easier. My group welcomes this request and looks forward to an improvement in the near future.

We welcome Mr Klepsch's report. It is well written and he has elaborated on it today. We hope that the tension in that area will continue to ease as it seems to be easing at the moment. There are many problems to solve. But I am sure that Parliament and the Community will work in close cooperation with Turkey to improve her trade and general economy so that she can eventually take her full and rightful place in the Community.

(Applause)

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

Mr Laudrin. — *(F)* Mr President, I have been delegated by my group to compliment Mr Klepsch, who, combining elegance with efficiency, has submitted a report which was unanimously adopted.

The text contains four recommendations. The first is concerned with international policy. Unlike some earlier speakers, we prefer not to dwell on these points of general policy because, for one thing, as far as Cyprus is concerned, we believe that this island should remain independent and that its fate should be decided in assemblies other than ours.

As regards the air-space over the Aegean Sea, the Athens meeting showed that the Greeks do not insist upon our participation in talks on this problem which they prefer to discuss with the Turks.

We should therefore turn over the page, to concentrate our attention on other aspects, particularly on the institutional aspect.

From the institutional point of view we welcome the decision of the Joint Parliamentary Committee to hold, during one of the coming parliamentary part-sessions in Strasbourg or in Luxembourg, its third annual meeting which will further strengthen the links between the two sides.

We believe that the introduction of questions to the Association Council should help to improve its functioning. On the other hand, we regret that the Association Council has not met since 14 November 1974 and we deplore the fact that we still do not have to hand the Association Council's tenth annual report which it is essential for us to study before the next meeting with the Turkish delegation.

At the February part-session we concentrated on the social aspect and gave much consideration to the problem of Turkish workers in the Member States. Mr Carpentier's report is still topical. We believe it essential that social security provisions for these workers should be adopted as soon as possible, particularly those which would enable them to aggregate periods of insurance and employment in all the Community countries in which they have worked.

There is, in fact, something anomalous about upholding freedom of movement, the freedom of worker migration, when no provisions are made for this one right to social security which is now becoming uniform in various countries.

Once the Turkish view on this becomes known, we should like the Commission to give us a review of the matter and the Association Council to decide the implementation of this measure as soon as possible.

Finally, we appeal to the Member States to expedite the establishment of joint committees of experts with the aim of finding solutions to the education problems of Turkish workers.

As regards the agricultural problem, it is generally recognized that it is highly specific, since a distinction must be made between the EEC-Turkey Association context and the context of the overall Mediterranean approach. The EEC-Turkey agreement has the peculiarity that Article 35 of the Additional Protocol provides that the preferential arrangements for agricultural products are to be reviewed biannually. The first review took place in 1973. The Community has granted concessions for a number of products but this provision is to be implemented when, within the internal Community framework and within the framework of the overall approach, the necessary solutions have been found. A second review must be undertaken in 1975.

Laudrin

In view of this, the Turks have asked that the two matters be examined separately, since the Community must first settle the original 1973 review and then further requests will be presented for the second review.

It must be said that, in practice, at the first review the Turks submitted a list which had nothing to do either with the overall approach or with the agreement with Israel. A clear decision must therefore be made in this respect on the strict question of trade with Turkey.

As to paragraph 4 of the third recommendation where the Association Council is requested to ensure that Turkey should be accorded for its agricultural products the highest level of advantages enjoyed by third countries, we believe that this statement should be interpreted as meaning that the matter should be settled on a Community basis product by product, and not country by country.

To sum up, we agree with Mr Klepsch's overall conclusions in his report. We agree, but we ask him to watch that the undertakings given by the Community are fulfilled and that the reviews are reinstated. Finally, we want to express the hope that this nation, whose great history has left an imprint on whole centuries of our civilization, whose people supply so many workers to us here in the West, this nation which is so close to us through so many treasures, especially artistic treasures, still locked in the depths of its land, should as quickly as possible join our Community within the time limit available. We should denounce any delay, for Europe has everything to gain from joining with Turkey within the time limits and under the rules laid down.

(Applause)

President. — I call Lord Bethell.

Lord Bethell. — As one of those who were in Athens at the end of June on the EEC-Greece Joint Committee under the chairmanship of Mr De Clercq, I join in congratulating Mr Klepsch on this extremely well put together report.

All of us view with great concern the question of Cyprus which has been mentioned more than once in this brief debate. However, I think we would agree it would be inappropriate to go into it in detail in such a short discussion as this. I wish to say how pleased I was at what Mr Klepsch said as a result of his talks with his Turkish colleagues, namely, that it is the intention of Turkey to enter into discussions with Greece on this matter in conformity with the resolutions passed unanimously by the General Assembly and by the Security Council of the United Nations. This is indeed good news.

Some of you may have read the communiqués which we issued in Athens on 27 June and will have seen that we expressed regret that these various resolutions from the United Nations have not yet been carried out, particularly with regard to the return of refugees to their homes.

I am therefore doubly glad to hear Mr Klepsch say that it is the intention of Turkey to implement those resolutions and to settle this extremely difficult question to the satisfaction of both the main communities in Cyprus. Doubtless this is a question which our colleagues who were on the Association Committee will be discussing with their Turkish colleagues when they visit Turkey in September.

I wish also to mention the matter of aid in Mr Klepsch's report. In the motion for a resolution we read that aid will be provided up to a certain level for Cyprus by the Community, to be distributed to both Turkish and Greek communities there. This is excellent. I trust it will continue and, indeed, be increased.

Some of you may remember that on 29 April this matter was raised in an oral question by my honourable friend Mr Scott-Hopkins. Commissioner Cheysson said that the Commission would be sending a delegation to Cyprus to look into the whole question of aid to Cyprus from the Community.

I do not know whether it is possible for Mr Gundelach to talk about this now. I know it is not strictly speaking his responsibility, but we would like sooner or later to know whether this delegation has departed, what has been its result and what have been its recommendations.

I conclude by emphasizing most strongly—and I do not think one can emphasize this too strongly—what several people have said in the debate. In spite of the fact that our discussions with Greece seem to be proceeding well and that it seems we may be able to welcome Greece into the Community within a short number of years, this is in no way a suggestion of hostility or a challenge to Turkey with whom we have good ties and whose friendship we value and, in spite of all the problems between Greece and Turkey, whose interests we wish to serve.

I suggest it is not for this Community to take sides in disputes between states. We must try as best we can to bring countries which are in conflict closer together and closer towards us, for these are two countries who we hope eventually will become members of our community.

(Applause)

President. — I call Mr Gundelach.

Mr Gundelach, Member of the Commission. — In welcoming this opportunity to take part in what has been a timely and useful debate, I congratulate Mr Klepsch on his excellent and comprehensive report. It brings out clearly the link between politics and economics in the Eastern Mediterranean where events move fast and often tragically, where countries with which the Community has a close relationship find themselves in confrontation and where the Community has both a responsibility and a vital interest in playing what role it can to promote peace and cooperation where distrust and doubt sometimes prevail.

With the House's permission, I wish to say a few words first about the political aspect to which both the report and the resolution quite rightly attach importance.

It is never easy or, indeed, wise to express optimism in a situation as complex as the one involving Turkey, Greece and Cyprus, particularly when the most recent round of talks in Vienna does not seem to have taken matters much further forward. Nevertheless, I think we can see hope in the fact that another round is foreseen from 24 to 27 July, and in the contacts both at foreign minister and head of government level in May between Turkey and Greece. I am thinking particularly of the meeting in Brussels during the NATO summit when Mr Demirel and Mr Karamanlis put their names to a joint communiqué in which they stressed their determination to settle their differences through negotiations.

I am also encouraged by the fact that both parties have decided to take their difference over the Aegean to the International Court of Justice. In these circumstances, I think the Community should continue its policy, announced at the meeting of the foreign ministers of the Nine in Dublin in February, of making known its willingness to have talks with the representatives of all the parties concerned while supporting first and foremost the efforts of the Secretary-General of the United Nations. In the meantime, as the resolution rightly points out, the Community should ensure that the relief it can bring to the unhappy island of Cyprus through food aid reaches the people who need it, to whichever ethnic community they belong. The Commission will do its utmost to pursue this policy. The delegation to which reference was made has, unfortunately, as yet not been able to depart, but that has not changed our policy.

Since the report was written there has, of course, been a major development, namely, the Greek application for membership of the Com-

munity. The Community has noted Turkey's first reaction to this development. I trust that Turkey, for her part, has noted that the Council, on 24 June, in Luxembourg, stressed the importance it attached to maintaining and strengthening its links through the association with Turkey.

It also made clear on that occasion that the Greek request would in no way adversely affect the Community's relations with Turkey, nor the workings of the Treaty of Ankara. As far as that treaty is concerned, we hope shortly to be in a position to send the Joint Committee the annual report of the Association Council—the document to which reference has been made in this debate. I can only stress at this stage that the Commission entirely shares the Council's view about the need to strengthen and deepen our relations with Turkey through the association agreement.

As to how this can be done, we are always willing to give a sympathetic and positive hearing to any ideas that our Turkish friends may put to us. We are naturally fully aware of the economic problems referred to in the report. We are trying to deal with them in an open and constructive manner. As noted in the report, we have the problem, however, that the Turkish agricultural products—it is in the field of agriculture that we must first look for means of redressing the imbalance of trade which exists between the Community and Turkey, which, happily, however, is smaller than the imbalance existing with other parts of the world—the products exported by Turkey, are competing with agricultural products from our own Mediterranean areas. This problem has an impact on the Community's global Mediterranean policy.

In this context, we agree that a general guideline should be that Turkey should not be discriminated against but should be given, so to speak, regional most-favoured treatment. As a matter of fact, concrete steps in this direction have already been taken, but it can hardly be an automatic system or, for that matter, a permanent negotiation, following on after each individual free trade area agreement that we might conclude in the Mediterranean. But discussions on these important agricultural problems can and will take place in the course of the closing phase of the first review which, unfortunately, due to the Mediterranean policy, was not concluded, and the second review, which is to take place this year.

As the report underlines, other serious problems present themselves both in the social and in the financial field. In the financial field, the

Gundelach

financial protocol between the Community and Turkey expires in 1976, which gives an opportunity for these important matters to be taken up in the reasonably near future.

In the social field, which has rightly been underlined, certain problems have already been taken up in the social programme submitted by the Commission to the Council, earlier this year, dealing with migrant workers. Others are the subject of interchanges between the Turkish Government and the Commission. Others, again, fall outside the present scope of Community policy, and are the responsibility of individual Member States—such as the problems that arise in connection with schools. In my view, however, this would not prevent the Commission, in a given situation, using its good offices.

I conclude by saying that we attach as much importance as we ever did to the Treaty of Ankara and that it would be quite wrong if anyone were to think otherwise.

(Applause)

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

The resolution is adopted.¹

15. Agenda for next sitting

President. — The next sitting will be held tomorrow, 8 July 1975 at 10 a.m. and 3 p.m. with the following agenda:

- Statement by Mr Brunner, Member of the Commission of the European Communities, on the Community research policy;
- Motion for a resolution tabled by Mr Springorum on the decisions of the Council of Research Ministers of 26 June 1975;
- Statement by Mr Simonet, Vice President of the Commission of the European Communities, on the Council decisions of 26 June 1975;
- Report by Mr Leonardi on a Community policy in the hydrocarbons sector;
- Report by Mr Burgbacher on the medium-term guidelines for coal;
- Report by Mr Durand on the EAGGF.

The sitting is closed.

(The sitting was closed at 7.50 p.m.)

¹ OJ No C 179 of 6. 8. 1975.

<i>Mr Liogier, draftsman of the opinion of the Committee on Agriculture; Mr Pêtre, on behalf of the Christian-Democratic Group; Mr Lange; Mr Simonet, Vice-President of the Commission; Mr Scott-Hopkins; Mr Cifarelli; Mr Dalyell</i>	71	<i>Mr Blumenfeld; Mr Kirk, on behalf of the European Conservative Group; Mr Berkhouwer, on behalf of the Liberal and Allies Group; Mr Cifarelli; Mr Espersen</i>	76
<i>Adoption of the resolution</i>	76	<i>Procedural motion: Mr Fellermaier</i> ..	81
12. <i>Act of terrorism in Jerusalem — Debate on a motion for a resolution tabled by Mr Blumenfeld and others (Doc. 188/75):</i>		<i>Mr Spicer; Mr Covelli; Mr Blumenfeld</i>	81
		13. <i>Appointment of Members of Parliament</i>	83
		14. <i>Agenda for next sitting</i>	83

IN THE CHAIR: MR MARTENS

Vice-President

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

President. — The sitting is open.

1. *Approval of minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Statement by Mr Brunner, Member of the Commission, on the Community energy research policy*

President. — The next item is the statement by Mr Brunner, Member of the Commission of the European Communities, on the Community energy research policy.

I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, ladies and gentlemen, the Council of Ministers met on 26 June to discuss an energy research programme submitted by the Commission, a programme for offsetting the effect of inflation on the Joint Research Centre and a new programme for the Petten Research Establishment in the Netherlands. It did not manage to take a final decision on that occasion.

On the energy research programme, however, the Council came very close to agreement. The Commission is assuming that on 15 July, when

the foreign Ministers meet, it will be possible to adopt an energy research programme costing 59m u.a. This programme would be implemented in two phases. After 18 months, half of the period concerned, a review would take place to enable the Council to pronounce on the various projects and make the necessary changes.

As regards the Joint Research Centre I, too, hope that it will be possible to find a way out of the present situation. I hardly need remind you that the history of the Joint Research Centre has been a sad one, not because it is itself incapable of conducting research, but because it has repeatedly suffered partly under badly designed programmes, partly under programmes that were too brief. Following the Euratom crisis at the end of the 60s it was years before the Council of Ministers could be persuaded to adopt a new programme. It did not do so until June 1973. The programme that was then adopted after six months of discussions in the Council was one which even then was not felt to be perfect. It consists of 22 separate activities and in some ways bears no relationship to the infrastructure and available staff. The Joint Research Centre has suffered as a result.

This phenomenon—a lack of balance between staff, infrastructure and programme—is also to be found in many national research centres. As time has passed, the social tension has also increased, partly as a result of the lower salaries of local staff compared with those of staff coming from outside. In addition, the staff performing the simplest work in the research establishments were the poorest paid and suffered most under this discrimination.

In 1974 and immediately the new programme had gone into operation the Commission decided

Brunner

to improve matters. In one go 100 research workers were 'released', as it is so nicely put. We used to say 'dismissed'. Furthermore, the Commission set up a new directorate, which began its work in March 1974. It also looked into the social problems at the establishments and attempted to tighten up the programme and make contact with third countries in an effort to initiate cooperation within the framework of the programmes adopted.

The result has been positive. The establishments, which suffered under a lack of foresight in the programmes, have worked better. There are still some deficiencies. We are, however, on the right road. There is proof of this. This is to be found first and foremost in the fact that in the field of reactor safety about 50% of the research activities of the Joint Research Centre is financed from commissions received from the Member States. As one American company says: 'We must be doing something right; otherwise we would not be getting these orders.'

Secondly, the Joint Research Centre is already providing the technical support for the development of the inspection procedures to be carried out by the Euratom safety sector. Useful work can be done in this important area of the control of fissile material.

Thirdly, research is being carried out at the Joint Research Centre on hydrogen production from water by the thermochemical process. We lead the world in this field. Evidence of this is the fact that we have been appointed project leader by the Energy Agency.

Fourthly, in the field of solar energy a number of Arab states are interested in cooperating with the Joint Research Centre.

Fifthly, in the field of remote sensing of earth resources we have a project to carry out for the American space authority NASA and have been appointed principal investigator.

Sixthly, the nuclear measurements carried out at the Belgian establishment in Geel are known throughout the world.

The transuranium institute in Karlsruhe has a world-wide reputation for its research on plutonium and transplutonium elements.

In conclusion, it should be said that we have produced 137 scientific publications since the beginning of this year. This is considerably more than in the same period last year. In the whole of 1974 there were only 171 publications. Then there is the increase in the number of patents. We applied for 16 patents in the first 6 months of 1975. That is approximately the same number as in the whole of last year. I should like to

give Parliament one more piece of information. In another programme which is in preparation and which we intend to put before the Council of Ministers, the programme on nuclear fusion, a satisfactory result has been achieved in the preparatory phase. This result is so good that both American and Soviet research organizations have shown interest. We heard about the Soviet interest only in the last few days.

As you see, although there are deficiencies in research in the Community, some of them are slowly being eliminated. I am sure that everyone will realize this. During the discussions the criticism has occasionally been voiced that the Community implements new projects with the aid of supplementary budgets. I must say that this is not true of the research field. As soon as they have been approved by the Council of Ministers, we will have both activities entered in the ordinary budget for 1976.

On the whole my impression after the Council meeting of 26 June and the contacts we were able to make, is that in spite of the outcome of that meeting the Member States are moving closer together. I feel that the atmosphere is now improving somewhat. I hope that we will now be able to adopt the new programme promised Petten by the Council for 1975. During the Council meeting I promised to submit a strategy for the new programme by October. After contacting the Member States, we will try to submit a tightened-up form of the programme as quickly as possible. We hope that this will lead to an improvement in morale and clarify the prospects.

I feel that as a Commission we should not feel sorry for ourselves in spite of the criticism occasionally levelled at us. We must also put up with it if it is difficult to reconcile this criticism with statements made years ago. We shall have to get used to this. Even vigorous activity by individual delegations in the Council may be constructive. On the other hand, the Commission is not the whipping-boy of the Member States. Nor is it the lightning conductor for the budgetary difficulties which Member States occasionally experience. And just as we realize that there must be criticism, it is our premise that we can only fulfil our function in Europe if we for our part, whatever weaknesses may exist, although we do not have a larger budget of our own, although our budgets still cannot be financed by own resources, although international cooperation in many other respects hampers the taking of definite action, are not forced into a stop-go process which sometimes makes it difficult to do things in the way they should in fact be done. We are also aware that in spite of this, or perhaps because of it, the

Brunner

Commission must from time to time stand its ground in disputes with individual Member States or even all of them. I feel that no one should take it amiss if we occasionally allow ourselves the liberty of saying in so many words that the sovereign, the emperor, just happens sometimes not to be wearing any clothes.

(Applause)

President. — Since the next item on the agenda concerns the same subject, I propose that we have a joint discussion on reactions to Mr Brunner's statement and on Mr Springorum's motion for a resolution.

Are there any objections?

That is agreed.

3. Change in the agenda

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

Mr Lemoine. — (F) Mr President, the report by Mr Leonardi on behalf of the Committee on Energy, Research and Technology, on a Community policy in the hydrocarbons sector is on the agenda for this morning's sitting. We have just been informed that Mr Leonardi has been taken ill and will not be able to attend this part-session.

We therefore suggest that the Assembly should postpone debating our colleague's report until the next part-session. I hope that the chairman of the Committee on Energy, Research and Technology will have no objection to this.

President. — I call Mr Springorum.

Mr Springorum, Chairman of the Committee on Energy, Research and Technology. — (D) Mr President, I am extremely sorry to hear that Mr Leonardi is ill. I would find it extremely unfortunate if we did not allow him to present the report himself.

I would therefore very much appreciate it if we could defer the debate on this report until Mr Leonardi has recovered.

President. — I put to the vote the proposal to deal with Mr Leonardi's report (Doc. 122/75) at the next part-session.

Are there any objections?

That is agreed.

4. Decisions adopted by the Council of Research Ministers on 26 June 1975

President. — The next item is the motion for a resolution tabled by Mr Springorum on behalf of the Committee on Energy, Research and Technology on the decisions adopted by the Council of Research Ministers on 26 June 1975 (Doc. 163/75).

I call Mr Springorum.

Mr Springorum, rapporteur. — (D) Mr President, ladies and gentlemen, I should like to thank Mr Brunner for his statement. It does eliminate some of our worries. It was during the last meeting of our Committee on Energy, Research and Technology that we heard it was highly unlikely the Council would the next day be taking the decisions which are of such importance for the research policy. That is why we have tabled this motion for a resolution, our objective being to give the Commission some support, but also to make it clear that we as the European Parliament would not remain silent about the Council's attitude. The fact that matters were then blocked during the meeting of the Council of Research Ministers on 26 June completely confirmed our fears. We can now but hope that final agreement will be reached at the cabinet meeting in the Federal Republic tomorrow and at the Summit Conference on 16 and 17 July; otherwise irreparable damage will be done to our joint research establishments.

Joint research and the joint research establishments have been discussed often enough in this House. Two years ago we were very happy to see a multiannual research programme at last being set up again and also being approved by the Council. Before that we had 5 lean years of annual research programmes with all their dreadful consequences. In addition, due to the indecisiveness of the Council these programmes always came too late, so that the research workers became more and more frustrated, valuable people left the research establishments, and discord has increased among the staff there. There were frequent strikes, and work at the establishments was increasingly disturbed. We have discussed this subject in the House often enough.

Now that a multiannual programme has been adopted, only the optimists and those of simple mind could assume that all the difficulties had been removed. Firstly the management bodies had to be changed. This was successfully completed last year. Our committee has always discussed the research establishments in great detail. We were in Ispra some time ago and

Springorum

are travelling to Karlsruhe the day after tomorrow. We are at the moment in the middle of a hearing of impartial and well-known European scientists on the successes and failures at Ispra. I expect that our colleague Mr Flämig will be going into this in a moment. But the upshot of all these hearings and all that we have seen is that things are again improving at the joint research establishments. At this juncture I should again like to thank Mr Dahrendorf, since it was he who managed to get this research programme adopted. I should also like to thank Mr Brunner for the clearly successful work he has done even though he did not join the Commission until a short time ago. There has already been a considerable reduction in the social tension and the number of strikes. People are working again. The impression is that the patient, for many years very sick, is or was on the road to recovery. Consequently, we are all somewhat bewildered to hear of the Council's inability to reach a decision.

I should like at this point to make it quite clear how concerned we are at the possibility that if the situation remains as it is, the result will be the wilful destruction for trivial reasons of the work done in the last few years.

I should like to quote some of the reasons which the Council has put forward and which have also been discussed publicly. It is said there are to be no new programmes until the question of principle has been clarified. New programmes can really only concern Petten or energy research. The Summit Conference decided that there should be energy research. Such decisions, I feel, cannot be overturned by the relevant ministers. They must abide by the decisions taken at the Summit Conference. The Petten programme is in my opinion even more depressing. In this case the Council has promised the Dutch delegation that it will adopt a programme for Petten. You will all recall our concern about Petten. You will remember that even the Commission proposed at one time that Petten should be closed down. We in this House were opposed to this, and the Council was opposed to it. But this programme must now be adopted quickly. What kind of situation are we going to have in Europe if no one thinks it necessary to keep to his word any more?

Another reason that was given was that European research was too expensive, that the costs involved rose by 20% each year. But if the Council approves wage and salary increases, it cannot claim afterwards that research is too expensive, since 86% of the costs are made up of wages and salaries. The Commission can therefore hardly complain about decisions that it itself has previously taken.

A further reason advanced was that the new programme should be discussed in the Council before new funds are approved. The present programme runs out at the end of 1976; the new programme is under discussion. It is due to the slowness of the Council that it is so difficult for decisions to be taken on programmes. A total of 30 committees have to be asked for their opinions before a programme of this kind can be set up. And to say now that the Council of Ministers, which of course consists of politicians and not scientists, must discuss this programme is in my view simply unreasonable.

The other reasons mentioned were legion, but not convincing. Basically, an honest statement on what was really behind this blocking of research programmes would have been more constructive. The member of the Commission responsible for joint research has not long been in Brussels. There are clear signs of his activity having had initial success. From this I presume I may conclude, Mr Brunner, that you went to Brussels with the mandate not to put a spanner in the works of joint research but where possible to further it.

Permit me to add a personal remark on this subject: the government which proposed you for this honourable office, has disowned you, and in an intolerable manner, even if the contrary is claimed, even if the matter now seems to have been cleared up in some ways. If Europe is to flourish—as you yourself said—it needs men who will stand their ground and not allow themselves to become whipping boys. Europe requires sacrifices where necessary. I therefore feel that if the Council is not willing to raise the blockade, you should resign from your office. The citizens of Europe will completely understand and respect such a decision.

(Applause)

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

Mr Flämig. — *(D)* Mr President, we hear that there have been difficulties in the Council. My group has discussed this subject. On behalf of the Socialist Group I should like to say we quite appreciate that the Council has discussed in all frankness the question of whether in view of the modest funds available the required efficiency of Community research is assured. We have often discussed this question. We recently reported on the subject in Luxembourg and made it quite clear where the cause of the difficulties facing the Joint Research Centre in fact lies. At the time we demonstrated in particular that the staff of the Joint Research Centre were by no means primarily to blame for the constant

Flämig

difficulties and unpleasantness. I should like to make that perfectly clear once again. The trouble was fundamentally due to a political failure on the part of the Community.

The chairman of the Committee on Energy, Research and Technology has just said that once it was realized the Joint Research Centre could no longer fulfill its real task, that of enabling Europe to have a reactor programme of its own, it was kept alive with annual programmes. He recalled that the number of staff was considerably reduced by means of the voluntary retirement scheme.

Now, we all recall that one day here in the House we were asked to decide: Joint Research Centre—'to be or not to be, that is the question.' We decided in favour of 'to be'; it was to remain in existence; it was needed, it was a pillar of the European Community. We all know the story, however, of the cracked pillar which may collapse overnight. This story is truly appropriate in this case. The pillar is damaged. It must be patched up if we are in favour of 'to be'. And in fact we are, for European research faces problems which can be more easily solved jointly than at national, bilateral or multilateral level. The question is simple: what are the problems involved and how are they to be tackled?

We agree with what has just been said about Petten. My group has always advocated that the Research Centre, which has genuine tasks to fulfill, commissioned in each case by industry, should not only be kept alive, but even extended.

We also say 'yes' to Karlsruhe and Geel. I believe that the hearing being conducted by our committee, which is still going on and is to culminate in a report drawn up by myself, will—this is already becoming apparent—also say 'yes' to Ispra. However, it is also becoming apparent that it is unlikely we can continue to conduct joint research as in the past.

Mr Brunner has just mentioned reactor safety. This is undoubtedly part of the overall subject, and he is right in saying orders would not otherwise be received. In committee we have heard during the present hearing that materials research is required with regard to reactor safety and the further development of reactors and new reactor systems. We also appreciate that there must be somewhere in Europe where measuring standards for the peaceful use of nuclear energy are set, and we all know that the non-proliferation treaty and Euratom safeguards do of course entail certain tasks with respect to the fixing of measurement or control data and supervisory measures. However, we shall be looking very carefully into whether other projects going beyond reactor safety and

the nuclear energy programme as such can be implemented efficiently—as I said just now—and purposefully at the Joint Research Centre. The mere fact that the Community has been appointed project leader for the hydrogen research project is not necessarily proof that this is the best method of solving the problem. We shall also have to consider very seriously whether the Joint Research Centre is the best place for the remote sensing of earth resources and the appraisal of the results.

We are now convinced that it may not be possible for the electronic data-processing programme to be maintained by the Joint Research Centre. We also think it possible that industry and individual nations have already done far more in the field of environmental research than can ever be done in Ispra with the staff and facilities available there. We further consider it a possibility that other institutes may be better suited to conducting research in the solar energy field. Or, to put it another way, it is quite possible that we will realize one day that the Joint Research Centre should concentrate above all on nuclear energy, since that is what the staff were engaged for, that is what they were trained for, and that is why they are there. But we do not want to anticipate the report. We want to complete the hearing first. The experts will advise us, and we will then one day find a way out of the situation in cooperation with our Commission, which of course also has efficient people and undoubtedly looks at these questions again and again.

We can also agree to what Mr Springorum requests in his motion for a resolution, but would point out that a better check must be kept on the success of the Joint Research Centre, above all from a financial point of view. If we understand the Federal Government correctly, this was also its principal concern. In other words, the programme must be tightened up; it must be more effective.

We of the Socialist Group would also refer to what we recently said in Luxembourg and add that the Joint Research Centre should be given another chance. It may be the last chance. But we want to give the new management, which has set out to improve matters with so much gusto, and the new Commissioner, who is doing such gratifying work—we, too, would like to thank you, Mr Brunner—this chance, and we therefore approve Mr Springorum's motion for a resolution.

(Applause)

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

Lord Bessborough. — I too thank Dr Brunner for his statement, in which I was particularly interested since I was rapporteur on the energy research and development action programme. I was to some extent reassured by Dr Brunner's statement that the work at the joint research centres was proceeding satisfactorily. He cited the projects on which they were engaged. Although I share many of Mr Flämig's fears I was glad to hear that the IAEA had made the JRC the project leader on hydrogen. This is reassuring particularly as we had feared that there might be some overlapping between the IAEA and Ispra.

Am I right, in regard to the specific energy research and development action programme, in thinking that the Commission hopes that the Council of Ministers will take a decision and adopt the programme at its next meeting on 15 July? Parliament raised the money allocated to the programme from 54 m. u.a. to 59 million. This was for the specific programme on geothermal and solar research, conservation research and so on. What proportion of the work will be done by indirect action, through contract research with laboratories and firms within Member States, and what proportion will be going to the joint research centres Dr Brunner mentioned? I would like a breakdown of these figures even if he cannot give it today.

I was glad to hear Dr Brunner say that the Commission had met one of the principal points made in this House regarding revision of the programme, that it is to be revised after 18 months, and regularly revised thereafter by the Council.

I asked a question recently in the House of Lords on the subject of the indirect action programmes—that is contract research. I wanted to know what proportion of the research would be indirect and what proportion direct. I was told by the minister concerned that all the work in the programme would be indirect research of the kind I have described. It appears from Dr Brunner's statement that this is not so, however, and that a great deal of the work will be done directly at the joint research centres. I would like clarification of this point because there seems to be some misunderstanding. Otherwise, I welcome Dr Brunner's statement and look forward to the further work on which we are shortly to be engaged, and which was mentioned by Dr Flämig.

(Applause)

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

Mr Noè. — *(I)* Mr President, honourable Members, on behalf of the Christian-Democratic Group I too should like to thank Commissioner Brunner who has dealt with the problem of the Joint Research Centres in accordance with the guidelines laid down by this House.

Permit me to summarize very rapidly the decisions taken in the recent past by the Community institutions in this field. In 1973 it was decided not to close the centre at Petten and, as regards the research establishments taken together, to set aside a certain sum in anticipation of the likelihood—by no means negligible—that rising prices would have led to recourse being made to this reserve. On the same occasion it was also decided to conduct a review once a year, or at most every two years, of the quadri-annual programme and the Commission did in fact submit to the Council a proposal for revising the quadri-annual programme which was, however, rejected. Two and a half years have passed since those decisions were made and prices have risen enormously.

The Commission subsequently put forward a new proposal providing for the sum of 5 million u.a. for Petten and an increase from 179 million to 217 million u.a. in the funds earmarked for the implementation of the action programme.

This adjustment is due principally to the rise in personnel and material costs. Only a minute part is for new activities, that is to say for studies relating to the fixing of the next quadri-annual action programme. In fact 33 out of 38 million u.a. are intended to cover salary increases and the rise in material costs. Since 16 million of the initial 179 million u.a. had already been earmarked for future increases, the total rise amounts to 54 million u.a., corresponding to an annual increase of 8% for each of the 4 years. This rate of increasing seems to me reasonable and justified in the present circumstances.

In this situation, on 26 June last, first Coreper and then the Council considered the Commission's proposals and 8 countries came out in favour—albeit after proposing certain modest amendments—while one country expressed reservations, preferring to wait and referring to the possible closure of certain centres; this went against the line which had emerged from all past decisions taken by the Community institutions. Moreover, this country requested that any decision be deferred until the details of the new action programme, due to take effect after 1976, had been worked out.

I should like to make certain observations at this juncture. The first refers to the tendency, evidenced until now by the activities of the JRCs, towards greater concentration of object-

Noë

ives. This tendency, to which Mr Flämig has also alluded, is being converted into concrete proposals. The proposals submitted by the Commission and considered on 26 June last in Luxembourg are nothing other than the implementation of decisions already taken by the Council. The Commission is thus showing a degree of consistency which is unfortunately lacking on the part of the Council.

But, Mr President, there is an argument of still greater importance: at the time a decision was taken—to which the chairman of our Committee, Mr Springorum, has also referred—to give the Joint Research Centres a four-year trial. Six months of this four-year period were wasted because the starting signal was given in June instead of January.

Then a decision was made to 'release' some 20% of the staff of the centres. It is easy to understand that in an institution which has lost 20% of its staff, who count for more than any decision, performance will fall.

Having started in June rather than January 1973, we have now reached mid-1975. If we now have to wait until the middle of 1976 before granting these increases, the trial period would become seriously reduced and completely inadequate to form a proper judgment. This is the main point, Mr President, that I, speaking on behalf of the Christian-Democratic Group, raise here in support of Commissioner Brunner's position.

There are only a few words I want to add to what has already been said. It is a question above all of sticking to the decisions which have been taken—this is a point which Mr Springorum emphasized—and being able to make a valid judgment. It is worth noting among other things that, according to scientific publications in 1975, the scientific output of the research establishments will be more than twice as much this year as it was last. The number of patents, the concrete results of research, has also more than doubled. By contrast industrial discontent has decreased markedly—as Mr Springorum pointed out—and we are thus really moving into a more satisfactory phase, an assertion, moreover, which has been substantiated by the two consultative committees which are working side by side at the JRCs. Just last week one of them declared that it was now far more satisfied than in the past with the work being done. Overwhelmingly positive comments were also made in the hearings recently held by the Energy Committee of the European Parliament, particularly as regards the nuclear safety programme and the hydrogen programme.

Finally—and on the political level this is an important point—I should like to point out to

those who do not know it that the Director of the Essor reactor is an Irishman. This means that countries which are too small to possess a nuclear research centre of their own have access, through their own scientists, to administrative and managerial posts which would otherwise be extremely difficult for them. At a time therefore in which we are considering the membership of other European countries such as Greece the elimination of this type of possibility would be really contrary to European interests.

I only want to add that the problems of nuclear security which have already been referred to and which we are trying to solve would not otherwise find a joint solution in the Community institutions, in other words a solution which does not differ in Italy, Germany or in other countries, but can offer security to the population and guarantees to the authorities which have the grave responsibility of ensuring nuclear energy supplies with which we are trying to replace our dependence on oil.

Mr Flämig said that the Joint Research Centres could be compared to a cracked pillar. My reply to Mr Flämig would be that they are more like a pillar without a load! Pillars are made to support burdens and until now they have had to support them only irregularly or in a half-hearted way. Why then don't we give them a worthwhile burden to support for a four-year period and then look at how they have stood up to it, because that is the only way that we shall be able to make a judgment.

(Applause)

President. — I call Mr Osborn.

Mr Osborn. — As a new member of the committee, I shall be brief.

Mr Brunner and the Commission have a difficult task. The direction of research and the selection of the avenues down which research must go are always a problem for those responsible. There is always a need within nations, and within a group of nations such as the Community, to have the correct balance between pure research, where those doing the research pursue knowledge for its own sake, and applied research, where there is a definite object and a problem to be solved.

I accept that in pure research an establishment must be chosen for its merit, whether on a national or an international basis, and asked to pursue certain objectives — *action directe*.

Mr Brunner referred to the strategy of the new programmes being worked out by the Commission and presented to the Council of Ministers. What consideration is being given to the

Osborn

customer-contractor principle? What consideration was given to the original Rothschild report in Britain and to the work of the Select Committee on Science and Technology, of which I was then a member, when it tried to assess the merits of this point of view? The British Select Committee is now looking at the role of university research. Emphasis is being placed on energy research, particularly solar and nuclear.

As politicians, we want to harness the manufacturers, creators and doers who have ideas for producing new sources of energy and new outlets for that energy, bearing in mind the change of pattern. For example, why should not some of the 59 m u.a. go to the utilities, to direct research in their national, industrial or independent agencies, or in international agencies, as they think fit? If an international research organization has not the men of calibre or the energy to provide the answers, it should wither. In the Community we are keeping together groups of scientists who are unable to provide the answers to the needs of the modern age, and that is a danger.

I should like the decision to be made not only by the Commission, this Parliament and the ministers but by those who have to create the new methods of harnessing energy—the manufacturers and the utilities. I hope thought will be given to that.

I accept that it is too late for the Commission to change its proposals to the Council of Ministers by July. But a more direct approach on contract research is vital, in order to put those dealing with applied research on their feet. I should value Mr Brunner's comments on how the Commission would go down that road.

(Applause)

President. — I call Mr Normanton.

Mr Normanton. — After the speech by my noble friend, Lord Bessborough, on behalf of the group, I wish merely to fill in one or two points which have not been brought out in the course of this brief debate but which arise from the contribution by Mr Brunner.

First, we all welcome the report Mr Brunner has given to the House, because I am sure that we all detect for the first time a note of optimism. Perhaps it is only a glimmering of hope rather than an expression of firm conviction in the hopefulness of the future, but it is welcome.

Secondly, Mr Brunner referred to the involvement in research and the interest manifested

by the Arab states in the Community research activities. He referred in particular to solar energy. I wonder whether he is in a position to tell the House to what extent the Arab interest is being backed up by Arab dollars put down for the information and the research which will flow from the activity in the joint research centres.

My third point stems from the fact that Mr Brunner referred to even an interest of the Soviets in the joint research activities. Here I become distinctly nervous. I do not think it can have escaped the attention of any honourable Member in this House that Europe in the last three or four years has gone through one of the most traumatic and deadly dangerous situations the Community has ever known. That arose from the fact that the source of supply of our energy was not secure. It may have been low priced, but we paid a very large price indeed for the absence of security of supply of that low-cost energy. I feel inclined to express considerable anxiety at the real motivation behind Soviet interest in this sphere of Community research.

I therefore ask Mr Brunner to what extent the Community research establishments are engaged in what one might describe as classified research work, work of high security, strategic interest and concern. If that is the case, I want to be assured—and I am sure the House will want to be assured—that the confidentiality and the security of the classification will be maintained when interest is manifested from directions which have a vested interest in blowing it open.

We need not remind ourselves that the greatest leap forward in aeronautical technology, namely, the Concorde aircraft, has been copied in almost every detail by the Russians. That stems from the fact which I am sure nobody can deny that copies of blueprints, copies of designs—the product of research of the Community—have been handed over in totality to the USSR. We cannot possibly allow that sort of thing to continue.

I earnestly hope that Mr Brunner will give a very clear assurance to the House that classified and secret work of a highly confidential character is not being made available to those who would wish to destroy us economically and politically.

With those few comments, I am sure we welcome the report, but there is a long way to go before we who are members of the Committee on Energy, Research and Technology and Members of this Parliament are satisfied that there is real hope of progress towards the establish-

Normanton

ment of an energy policy which will stand up for the Community in a crisis.

I regret that, for reasons which you have thought best, Mr President, we have had to hold over the Leonardi report until the September part-session. It would have given an excellent opportunity to many of us to voice our fears and anxieties on this crucial issue of security and, indeed, the very creation of an energy policy for and by the Community.

(Applause)

President. — I call Mr Espersen.

Mr Espersen. — *(DK)* Mr President, I too welcome Mr Brunner's report and Mr Springorum's motion for a resolution. I will concentrate my remarks on one point in Mr Brunner's report.

The Community has two parallel programmes. The first will make us less dependent on oil supplies from Arab countries in the very near future. A large sum, thousands of millions of units of account, is involved for the development of nuclear power stations.

The second Community programme—and the one we are discussing today—is the programme of research into new sources of energy.

Obviously, we must take care not to separate the two programmes; we must always see them as a whole. If the research programme gives quick results, the programme for developing conventional nuclear power plants may gradually have to be modified. I am thinking in particular of Mr Brunner's optimistic remarks on developments in fusion energy. There are results from research centres in Texas that indicate that this form of energy could be put to practical use perhaps much more quickly than expected. If this is true, it presumably means that there is much less need to build nuclear power plants which in any case cannot be used for more than 20 or 30 years. I would therefore be very interested in knowing the reason for Mr Brunner's optimism about developments in fusion energy. I should also like to have more details about the progress made and to know when it is estimated that fusion energy can be used.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — *(D)* A number of questions have been asked. But first of all I should like to thank Parliament for its support. You have stood by us at a difficult time, when the Commission is trying to get the Council of Ministers to adopt proposals which it has worked out in cooperation with you in

committee. I am convinced that it will be possible to find a solution in the Council on 15 July on the basis of this joint expression of will. This, I think, deals with the first question, put by Lord Bessborough, and I should now like to pass onto the second.

Most of the 59 million u.a. is in fact intended for indirect activities. We are working in this case on the basis of contracts. We are assisting projects that are already under way. About 10 to 20% of this sum will be used on projects at Research Centres in the Community.

We also have in preparation—and I now come to a question put by Mr Espersen—a programme for fusion and other indirect activities with a term of 5 years. The overall ceiling of this programme is set at 350 million u.a. I hope you are not shocked by the enormity of this sum. The reason it is so high is that fusion research is very expensive. We have made quite considerable progress in fusion research with the preparatory work that has now been completed at Culham near Oxford as an indirect activity. We are among the leaders in research in the world following the development by the Soviet Union of the Tokamak series. This is confirmed both by the Soviet Union and the United States. The object of this new programme is the construction of a Tokamak-type device known as JET, the Joint European Torus. We need a considerable sum of money for this programme. We do not know—this in answer to Mr Espersen's question—how far we shall get. We do not know if it will be possible to achieve a breakthrough in this field of fusion. We do know, however, that if this promising area of research can be developed to the desired extent, a considerable burden will be removed from mankind as regards the utilization of nuclear energy. This is a long-term process, but it is a process which is very important from the safety aspect.

In the case of nuclear fusion, making facilities safe is much easier. There are no major problems except when it comes to scrapping facilities that have already been used. We are not faced with the problems that occur with the storage of nuclear waste. I therefore feel that this financial effort is worthwhile for technical reasons and scientific reasons, because we have come a long way in those areas, and also for reasons of safety. We can after all take it for granted that the citizen in the Community is doubtful about nuclear energy and about the safety of nuclear power stations. Regardless of whether these doubts are justified or not, we must take them into consideration. By improving the safety of facilities, by increasing research safety in the energy field, we must give the citizen the feeling that everything is being done

Brunner

to prevent accidents. As far as possible, we must develop sources of energy other than nuclear energy.

That we are now in a very difficult position as a result of our pronounced dependence on petroleum, that we now find ourselves compelled to increase the production of nuclear energy in a relatively short time, does not mean that we can simply brush aside the anxieties of the citizen. The subject itself does not justify this, nor is it democratic. The citizen in the Community has a right to have his anxieties and fears taken seriously. That is why fusion research is a good thing, since it will open up completely new horizons, although not before the year 2000 as we see it.

I now come to the questions raised by Mr Osborn and Mr Normanton. As far as possible we cooperate with industry, and although we predominantly go in for basic research, satisfactory cooperation has been achieved in a number of cases. In the field of solar energy in particular we have succeeded in attracting the interest of exporting industries with basic research and the development of fairly small plants using solar energy and in achieving a practical form of cooperation. We have gained recognition in industry. We have the feeling that the extension of indirect activities, i.e. activities in which we supplement and financially support existing project teams, is something which may be of considerable benefit in cooperation between industry and the Community.

We are furthermore open to international cooperation in our projects. We endeavour to play the role in the Energy Agency that we have been allotted; where we have been appointed project leader, we intend to play our part to the full. We do not conduct any research which in principle is secret, but we are not on the other hand naive. I mentioned the interest of the Soviet Union in fusion research in order to show Parliament that the research activity of the Community in certain fields is internationally recognized by scientific circles. We are a Community which would like to throw itself wide open in its research activity to cooperation with third countries. At the same time we shall of course fully protect the interests of the the Community, not only as regards security—with our type of research there is no direct interest in security at the moment—but also the interests of industry in the Community. We will take this into account. I believe that if we generally tighten up our programmes, if we make sure finance is available in the longer term so that we do not have to change the starting point every year and are thus able to give our research workers new prospects and a better

atmosphere in which to work, we as a Community can achieve a good deal.

I should like to stress one aspect in particular. The research activity of the Community is not only of value in itself; it represents a considerable contribution to the coordination and improvement of the exchange of information between the Member States. In this respect, if the Community's research activity is properly designed and strictly managed, it will also lighten the burden on national budgets. You and we can help to ensure that this is the case in future.

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

The resolution is adopted.¹

5. Documents received

President. — I have received the following documents:

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

— the proposals from the Commission of the European Communities to the Council on consolidated texts relating to the cereals sector (Doc. 184/75).

This document has been referred to the Committee on Agriculture;

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

I. a directive fixing the maximum level of erucic acid in fats, oil and margarine for food

II. a regulation amending Regulation (EEC) No 657/75 on the standard quality for colza and rape seed (Doc. 185/75).

Point I of this document was referred to the Committee on Public Health and the Environment as the committee responsible; Point II was referred to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for its opinion;

(b) from the committees, the following reports:

— second supplementary report by Mrs Elisabeth Orth, on behalf of the Com-

¹ OJ No C 179 of 6. 8. 1975.

President

mittee on Public Health and the Environment, on the modified proposal from the Commission of the European Communities to the Council for a directive on the approximation of the laws of the Member States on cosmetic products (Doc. 186/75);

— report by Mr Libero Della Briotta, 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 816/70 laying down additional provisions for the common organization of the market in wine, Regulation (EEC) No 817/70 laying down special provisions relating to quality wines produced in specified regions, Regulation (EEC) No 865/68 on the common organization of the market in products processed from fruit and vegetables and Regulation (EEC) No 950/68 on the Common Customs Tariff

II. — a regulation on measures intended to adapt wine potential to market requirements

— amendments (tabled pursuant to Article 149, paragraph 2 of the Treaty) to the draft regulation amending Regulations (EEC) No 816/70 and No 817/70 taking into account the Council resolution of 21 April 1975 concerning new guidelines designed to balance the market in table wines

(Doc. 187/75);

(c) the following motions for resolutions:

— motion for a resolution tabled by Mr Cointat, Mr Herbert, Mr Liogier and Mr Nyborg on behalf of the Group of European Progressive Democrats, pursuant to Rule 25 of the Rules of Procedure, on the peripheral coastal regions of the European Community (Doc. 162/75);

— motion for a resolution tabled by Mr Broeks, committee chairman, on behalf of the Committee on Cultural Affairs and Youth, on education in the European Community (Doc. 183/75);

(d) the following oral questions:

— oral questions put by Mr Leenhardt, Mr Ansart, Mr Adams, Mr Behrendt, Mr Corterier, Mr Müller, Mr Bordu, Mr Blu-

menfeld, Mr Johnston, Mr Hougardy, Mr Noé, Mr Spicer, Mr Shaw, Mr Corrie, Mr Osborn, Mr Howell, Mr de la Malène, Mr Fellermaier and Mr Seefeld, pursuant to Rule 47A of the Rules of Procedure, for Question Time on 9 July 1975 (Doc. 176/75);

(e) from the Joint Parliamentary Committee of the EEC-Greece Association, the recommendations adopted in Athens on 27 June 1975 (Doc. 180/75);

This document has been referred to the Associations Committee as the committee responsible and to the Political Affairs Committee for an opinion.

6. Change in the agenda

President. — The next item should have been Mr Simonet's statement on the Council decisions of 26 June 1975.

However, since Mr Simonet has not yet arrived, I propose to suspend the sitting until his arrival.

I call Mr Springorum.

Mr Springorum. — (D) Would it not be possible to move forward Mr Burgbacher's report?

President. — I put Mr Springorum's proposal to the vote.

That is agreed.

7. Medium-term guidelines for coal 1975-85

President. — The next item is the report drawn up by Mr Burgbacher on behalf of the Committee on Energy, Research and Technology on the proposal from the Commission of the European Communities on Medium-term guidelines for coal 1975-85 (Doc. 147/75).

I call Mr Corona for a procedural motion.

Mr Corona. — (I) Mr President, on behalf of the Socialist Group I should like to put forward a proposal based on Rule 32, paragraph 1(b) of the Rules of Procedure and on a similar provision in Rule 26: a proposal, that is, to refer Mr Burgbacher's report, on a subject which we recognize to be of importance, to the Committee on Social Affairs and Employment, and, possibly, also to the Committee on Public Health and the Environment so that they can give their opinions.

Corona

We are indeed convinced of the necessity to increase coal production in the Community, but we are also convinced that these types of production problems, in a sector which is both delicate and at times, as we all know, socially explosive and in which in many cases the industry concerned can be characterized by its backward conditions, calls for careful consideration not only of the technical but also of the social aspect.

This connection is in fact recognized in the first part of the motion for a resolution where, in paragraph 2(c), a call is made for the adoption in good time of the required economic and social policy measures. However, in what we might call the operative part, and that is the part that counts, of the same resolution, containing instructions and advice, which Parliament is to adopt as its own view, this awareness of the social problem is reduced to merely a vague, and in our opinion contradictory mention in paragraph 5.

Since in our view the urgency of increasing coal production is a problem intimately connected with the improvement of social conditions which should apply in this sector—and I am sure that this House is aware of the difficult conditions endured by those employed in this particular type of production—we would like to see the problem considered in its entirety; not only for the fundamental reason that there is no division between the technical and human side, between the problem of production as such and the problems of those who do the producing or contribute towards production, but also because we believe that it would help production to guarantee from the outset conditions of work, and therefore industrial peace, which will enable the industry to achieve the objectives set out in Mr Burgbacher's report and resolution.

Therefore Mr President, I should like to ask you to consult the Assembly—and I hope that the rapporteur will be in agreement—to refer this report to the Committee on Social Affairs and Employment and possibly also to the Committee on Public Health and the Environment—since it is well known that the latter is particularly interested in this type of employment—and to postpone the debate on the matter until the two committees have had the opportunity to give their considered opinions.

(Applause from the Socialist Group)

President. — Mr Corona proposes referring Mr Burgbacher's report to committee.

What is the view of the committee responsible?

Mr Springorum, Chairman of the Committee on Energy, Research and Technology. — (D) I should

like to draw the attention of the House to the following. This report refers to one of the many energy reports that the Commission has submitted on mineral oil, natural gas and so on. This report concerns the medium-term guidelines for coal. It has nothing to do with the social and health aspects. If it had, we should have had to deal with these questions when debating the other reports, some of which have already been before the House. We did not do so. I would suggest that we leave out all the social questions—they are covered by paragraph 5—and then await a separate report from the Committee on Social Affairs and Employment and the Committee on Public Health and the Environment on health and social questions in the mining industry. This would be far better than allowing these matters to be swallowed up in a report of this kind. They do not really fit in here. I therefore request that we discuss Mr Burgbacher's report today so that it can be adopted—we have after all been dealing with it long enough.

(Applause)

President. — I call Mr Espersen to speak for the motion.

Mr Espersen. — (DK) Mr President, I should like to support referral to the Committee on Public Health and the Environment.

With the present wording of the document—and I refer particularly to point 5 of the resolution and point 69 of the explanatory statement—Parliament's intentions could be misunderstood.

Point 5 states that Member States that have coal mines should relax the measures they have taken or intend to take to prevent the recruitment of workers from countries outside the Community. In other words, Member States are urged where appropriate to relax the ban on immigrant foreign labour for the coal-mining sector. We all know that this is dangerous and unhealthy work.

The reasons for the proposal are given in point 69 with the direct statement that Member States will not be able to avoid suspending or at least relaxing, measures taken to prevent the recruitment of labour from outside the Community for the coal-mining sector. This means that Member States certainly may maintain the ban on immigrant labour, although not in the coal-mining sector, where it should be possible to employ more foreign labour. This could be taken as a recommendation to employ foreign labour for unpleasant jobs while maintaining the ban on the further immigration of foreign labour.

People will think that Parliament is proposing a new intake of foreign labour as in the case of

Espersen

the cotton fields of 100 years ago. This will be seen as discrimination against foreign labour. We in the Socialist Group therefore hope that the proposal will be discussed by the Committee on Public Health and the Environment.

President. — I call Mr Burgbacher to speak against the motion.

Mr Burgbacher. — (D) Mr President, ladies and gentlemen, I quite appreciate that the members of the Socialist Group would like to place particular emphasis on social problems. But if this principle is applied, every proposal to do with energy, and in fact any proposal concerning the economy, will have to be referred to the Committee on Social Affairs and Employment, for no economic and no energy policy is without its social aspects. This would mean the Committee on Social Affairs and Employment was the responsible committee in every case, whereas what we are dealing with here are primarily urgent energy problems, urgent because what we do not accomplish today, we will not have in ten years' time. This is a well-known principle in the energy industry, which I would ask you to accept. I am quite prepared to agree with the committee chairman and take out paragraph 5, and I also join with the Committee on Energy, Research and Technology in advocating that the Committee on Social Affairs and Employment should be asked to give its opinion on the subject as a whole from the social point of view in a separate report.

I sincerely request that there be no postponement of the debate on coal as a result, since God knows we have no time to lose, and we would bitterly regret such a postponement later. I therefore ask that the report be debated.

(Applause from the Right and Centre)

President. — I put to the vote Mr Corona's proposal for a reference to committee.

The motion is rejected.

I therefore call Mr Burgbacher to present his report.

Mr Burgbacher, rapporteur. — Mr President, ladies and gentlemen, the report concerns coal, and coal as a whole. That means hard coal and also lignite. That at least is what is intended. It proceeds from the grave anxiety resulting from the shock of the sudden fourfold increase in oil prices at the end of 1973, insofar as a slight recession, or at any rate stagnation, has occurred as a consequence of general attitudes and the short-term economy, instead of the previous annual growth rates in energy demand.

This has befogged the issue, which is no longer uppermost in the minds of our citizens as it should be. This is why the expression 'in good time' has been used several times in the report. Why 'in good time'? We cannot have alternative sources of energy, which have also been referred to in Mr Brunner's report, if we do not begin today to take seriously the period of eight to ten years for planning and financing, seeing that all major facilities in the energy industry, whether we are talking about refineries, nuclear power stations, hard coal power stations, lignite power stations, gasification or liquefaction, take six to ten years to construct. In other words, what we do not begin today, we shall not have in 1985. That is where the review given in the Commission's documents ends. These documents do not deal with the time after 1985 at all. It must also be admitted that it would be difficult to paint a picture of the time after 1985. This report is consequently an appeal to all the countries of the Community to increase the production of hard coal and to exploit lignite production.

At the same time we would point out that there is a need for stockpiling, both at the pithead and on the premises of consumers, above all industrial consumers. I would remind the House that at the beginning of 1974 we had large pithead stocks of hard coal and that by the end of that year they had almost been used up. They had been used as a source of energy and thus represented a major contribution in bridging the first year of the oil crisis. I hope you will agree with me that this will continue to be important in the future. We can undoubtedly take it for granted that pithead stocks are useful and not detrimental to the Community, the consumer and the energy industry. We should therefore be happy to see pithead stocks of hard coal, since they will be urgently required if energy demand increases.

The objectives the Community sets out to achieve by 1985 are very bold, and the big question is whether they can in fact be achieved in the fields of nuclear energy and natural gas. We share the view that nuclear reactors have a great future, and I, too, feel that nuclear fusion is very important. But it is outside the area that we can oversee. Mr Brunner has quite rightly said that nuclear energy will not be on the market until the year 2000 at the earliest. The problem is how we are to reach the year 2000 without substantially limiting our requirements of energy, without which we cannot do if we intend to maintain our social standing, and socially speaking, the major question is whether it will be possible to continue offering the consumer and producer enough energy for the labour that is still required to be well paid.

Burgbacher

The enormous increase in the real incomes of the working masses in the last ten years have been due not least to the cheap energy available and energy as such. As we know, energy is technical power, man provides physical strength. We want to raise the social standing of physical strength to ever greater heights. We can only do this if we make so much energy available to man that this cheap energy, converted into human strength, allows the latter to be better paid. That is the crux of the matter. Endangering the suppliers' energy *de facto* endangers the incomes and social standing of the masses. We feel that coal will still have its place as a source of energy even when the nuclear reactors are there. This, too, is of course clearly brought out in the Commission's documents.

I should like to refer in this connection to a fairly recent publication by the Commission in the form of a communication to the Council entitled 'Main foci of a policy for the development of energy resources in the Community and within the larger framework of international cooperation' (PE 41.172). I would ask all Members to read this document along with the report on coal. They will then be forced to realize that if we do not do something, namely increase coal production and supplies of natural gas, we may not be able to maintain the Community's energy programme and will then be faced by the alternatives of either drastically reducing energy consumption, i.e., excessive saving, or offering less energy, which necessarily means a slower increase in the gross national product and a slower increase in the incomes of the masses. For where is it to come from if not from production? This serious question plagues us. Hence my appeal to the House: vote in favour of this report. The ten years needed for the development of alternative sources of energy cannot be glossed over and will in all probability be even longer. I repeat: what we do not begin today in the technical, economic and labour fields, we will not have on the market in 1985. Then we will have either to increase our imports of oil—the Community does not want this, either—or we must find an alternative. In view of the lack of nuclear energy compared with the programme the only realistic alternative is, however, coal.

That is why the report is of topical importance, and that is why I appeal to this House: vote in favour of the principle concerned. What is at stake is whether we can say in 1985 that we have done our duty or whether we are forced to say that we have built on paper rather than reality.

(Applause)

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

Mr Giraud. — (F) Mr President, ladies and gentlemen, after the rejection of our group's request for a postponement of this debate, on the grounds explained by our colleague Mr Corona and endorsed by Mr Espersen, I now have to comment on Mr Burgbacher's report.

I must reassure him straight away that the Socialist Group is in favour of the report, apart from paragraph 5, to which we shall be proposing certain amendments in the course of the debate.

The European Parliament is fortunate in having an expert like Dr Burgbacher to deal with matters concerning the coal sector.

We welcome the Assembly's prompt attention to this question, which is a reflection of the Community's present difficulties in the energy sector.

We are all aware that at a recent ministerial meeting the relevant organs of the Community were asked to try to resolve the energy crisis by rehabilitating the coal-mining sector in the regions. We know, too, that until the events of last year the coal-mining industry seemed doomed. Today, however, in view of the conditions we must create to be able to resolve the energy crisis in the European Community, coal will clearly be an important factor in reducing our Community's energy dependence. This applies particularly to two of the largest Member States, the United Kingdom and Germany, which still depend to a large extent on coal for their energy requirements. It is true also—and Mr Burgbacher has made some very pertinent observations on this point—that with new methods it will be possible to use coal more effectively. I am thinking in particular of the attempt to resolve the problem by the gasification or liquefaction of coal, in conjunction with high-temperature nuclear reactors.

However, the Socialist Group has asked me to stress a number of points which I shall try to explain.

First I must say that I fully agree with Mr Burgbacher that it will be a long time before we see any tangible results. A period of ten years would be a reasonable estimate. In other words there is no time to lose.

In view of the substantial investment needed in an industry of this nature, the undertakings concerned—whether they are nationalized or private—must be given safeguards for their investment and guaranteed outlets.

Giraud

For this reason we are in favour of the 'reference price' mentioned in the resolution together with another very clearly-defined objective: 'other suitable measures'. In fact, the reference price is perhaps not always the best safeguard for industrial undertakings.

Our Parliament should also give close attention to the questions of domestic production and imports. If our Community becomes exclusively an importer, we are condemning the whole of the coal-mining industry in at least two or three Member States—I refer in particular to France, Belgium and Italy. The conditions under which it is produced mean that the volume of production, per man per day, is sometimes only half the production in the other areas of the Community and perhaps even a half or a quarter of the amount mined in other non-Member States such as the United States.

Thus, if we are to maintain a proper coal-mining industry throughout the Community, it is important not to concentrate merely on profitability but to encourage domestic production which is an important factor in ensuring stable and guaranteed supplies within the Community.

This is why we are in favour of the Community schemes to provide aid to coalfields in difficulties.

We are also in favour of building up coal stocks. The importance of this in times of crisis has just been explained to us, but the public must appreciate that this is a costly operation and needs financing. Nothing can be done, therefore, about building up stocks unless the problem of finance is also taken into account.

Finally, this resolution deals in detail with research and development, at least their theoretical aspects. For decades now the coal industry has run under its own momentum, using unchanging traditional methods. We now know that progress, in the fields of extraction and processing, is both possible and desirable. But obviously this progress can only be achieved if the Community makes adequate funds available for research and development.

These, Mr President, are the reasons for which the Socialist Group will vote in favour of Mr Burgbacher's report.

I shall conclude by repeating that we have a number of observations to make on manpower and social problems. We shall present our proposals on these questions in the course of the debate.

(Applause from the Socialist benches)

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

Mr Vandewiele. — (NL) Mr President, on behalf of the Christian-Democratic Group I should like first of all to congratulate Mr Burgbacher on his excellent report. I should also like to compliment him on the authoritative way he has presented it. I hope that he is not discouraged by the fact that there has just been some argument over paragraph 5 of the motion for a resolution. I shall come back to that later.

On behalf of our group I should like first of all to go into three points: firstly, the importance of the common coal policy within the Community energy policy; secondly, the problem of investments and research policy; thirdly, the still somewhat emotive topic of workers in the mining industry.

From the discussions in the Committee on Energy it was quite clear that Parliament can associate itself fully with the conclusions contained in the document 'Medium-term guidelines for coal 1975-1985'. It is not our intention to reiterate the importance we attach to safeguarding the Community's energy supply. If we wish to become less dependent on oil imports, the Community has to take the necessary medium and long term measures, particularly in the coal sector.

It is becoming increasingly clear that a number of estimates made in 1974 are far from realistic. The foregoing debate brought this out yet again. There have been delays in implementing the programmes, especially in the case of nuclear energy. Nor will the quantity of natural gas increase exactly in line with expectations.

The figures in the Burgbacher report speak for themselves. It will not be enough to stabilize the present coal output of the EEC; we shall have to expand it. On the basis of a common programme, all the Member States ought to set about restoring the mining capacity of our Community.

The previous speaker rightly pointed out on behalf of the Socialist Group that this gives some of us a rather odd feeling. Some people thought that coal had already been written off. At present, however, the coal sector seems to be becoming more and more a matter of the moment. It is clear that any shortages of coal, especially coke, will become increasingly difficult to cover from imports from other countries. The exporting countries too are being increasingly forced to take account of their own needs. Certain countries, such as Japan, will not hesitate to make high offers so as to come by their own share on the world market first.

In countries like the Netherlands and Belgium, where we have for years been facing the

Vandewiele

particularly painful problem of mine closures, some of the opinions expressed in this debate will be received by part of the people with at the very least mixed feelings. It goes without saying that the present closure rate will have to be looked into with all due care. In the mining areas where neither the natural nor the economic conditions are present to keep production stable in the long term, closures will have to be continued. We ought to be bold enough to say this right now. However, in those areas with good prospects, particularly in the Federal Republic of Germany and in Great Britain, production will have to be increased to make up for the loss of output from the other areas. The Commission has rightly pointed out in its communications to the Council that production shifts like that also presuppose rationalization of production as a whole.

If we are to maintain the present level of coal output, or even better raise it, we shall be faced with the necessity for new investments. In the last few years only the most necessary investments were made in most countries. According to the Commission document, over the period 1958-1973 these were even below the amount of normal depreciation. The overall investment expenditure for mining enterprises for the period up to 1985 is estimated at 500 m u.a. per year, a total of 6 000 m. This means that the current rate of investment will have to be doubled. It is only too clear that the mining industry will not decide to do so until longterm sales that fully meet production costs can be assured.

Our group therefore fully supports the proposal on this point in paragraph 2 of the resolution. Investment policy must be accompanied by measures to guarantee coal sales, especially in the iron and steel sector and the power sector.

Without clear policy lines and without a climate of renewed confidence, this policy cannot succeed. We look forward with some expectations to the answer from the Commissioner regarding the difficult problem of investments, since in many national parliaments the discussion we are now having would sound surprising. It will probably result in very vigorous debates in those parliaments, since very many members of parliament in Europe incline to the opinion that the coal sector should be gradually written off. But Mr Burgbacher is now asking for our policy to be strengthened for a fairly long period.

I should now like to say something about the workers part in the coal policy, today and tomorrow. I am to some extent pleased at the reaction of some colleagues who drew our attention to the text of paragraph 5 of the resolution.

I agree with them that we must try to word it better. I do not wish to go further into that now, since I have just been told that some colleagues have tabled an amendment. I hope that the new text will be acceptable to my group too. Personally, I should like to state clearly to be going on with that I shall support a new text that puts the emphasis on the very important problem of jobs and working conditions in the mining industry, especially for underground workers.

In the last few years there was a decline of 5 to 6% in the number of underground workers. This need not surprise us. The number of underground workers fell from 361 000 in 1973 to 338 000 in 1975.

It is worthwhile devoting a special debate to these 338 000 underground mineworkers. They do a difficult job. There are people in this Chamber who have done it too, and they will be able to talk about it when we have a fundamental debate.

In 1973 the number of underground workers over 40 in the Federal Republic was 53%. In England the percentage was 64.5. I found these figures in the Commission document 'Forecasts for 1975'.

If there is no certainty about the future, it will not be possible to solve the staffing problems. It will not be possible to attract young workers. I therefore hope that we shall either scrap the text concerned or produce a new version clearly pointing out that it is the unanimous opinion of this Parliament that good working conditions and jobs in the mines have to be guaranteed in the future.

It is our conviction that in the next 25 years our energy supplies will be largely determined by what coal policy is followed.

At the present stage, it seems useful to point out the great importance of research in this sector. There is increasing talk of the possibility of gasifying or liquefying coal. Can the Commission tell us—I am speaking now to Mr Simonet and Mr Brunner—whether we can have any firm expectations about this in the medium term?

Has research on this already given tangible results, and if so in what countries? Has Community research also been carried on, and with what result?

A couple of months ago Mr Simonet here rather modestly stressed that the gnomes of the Commission in Brussels under their technocratic hat in no way can or will crowd the powers of the national governments.

Vandewiele

He said that in his witty and ironical answer to questions from Mr Normanton in the debate on the reports by Mr Cointat and Mr Normanton.

Mr Simonet also said then—and I quote—that it 'is perhaps a mistake of interpretation or even an illusion widely held in many quarters, ...that the common energy policy is a set of coherent objectives and means which can be developed by an intellectual operation carried out once and for all, and then submitted to... the Parliament and Council of Ministers, after which we can sit back and wait for a more or less harmonious process of implementation'.

We echo that. We are facing here a prolonged and troublesome process, with results sometimes highly different from the original plan. One need think only of the debates here a few years ago on the future of the coal industry. In the light of the new circumstances we have a whole new picture now.

Nevertheless, we continue to urge the Commission to achieve the goals of the common energy and coal policy. We will give it full support in that.

It is in this spirit, with reservations regarding paragraph 5 of the motion for a resolution, as already mentioned, that the Christian-Democratic Group will vote in favour of the resolution proposed.

(Applause)

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

Mr Osborn. — I wish to speak not only for the European Conservatives but for a particular amendment that is relative to the situation in Britain and has been put to my colleagues in this committee, Lord Bessborough and Mr Normanton—they have been working here for some time—by Mr Ezra, Chairman of the National Coal Board. The point is a valid one. Coal, as part of our energy pattern, has reassumed an importance for us in Europe, as it has for the United States and elsewhere.

I come from a coalmining area, and operate factories in areas which are now falling into disuse because most of the coal has been mined. Normally, in a debate such as this, the Socialist Group in Britain predominates, because it has many members who come from mining areas and who are put forward for Parliament by the mineworkers themselves. Over the years—even with the present government—Britain has embarked on a systematic investment programme in respect of its coal industry—a programme of modernization, designed to improve the

social conditions of those working in the industry.

I was a little disappointed by the fact that the Socialists from Britain on this occasion should seek to postpone a debate on a subject which is dear to the hearts of many of their colleagues in Britain who come from coalmining areas.

Except for one or two drift mines, for nearly 30 years the coalmining industry in Britain has been in the hands of the state. It has been nationalized. The purpose of nationalization was multifold, largely to rationalize the operation in the mines and to bring about coordination in the various regions. This is vital for the energy programme and the programme for the coalmining industry.

Another purpose, of equal importance, was to secure proper and healthy conditions for those working in the mines. Nevertheless, I accept the point of view of Mr Burgbacher and the others who have spoken, that energy is an important issue. In fact, Mr Burgbacher points out in the first part of the resolution, that

'the required energy policy conditions should be created in good time.'

The energy situation is one in respect of which we are lulled into a sense of false security because of the good relations with the OPEC countries and because, in Europe, we have had an 8% reduction in the amount of hydrocarbons that we are consuming. We are therefore inclined to consider the energy crisis as something that will go away and will not come back. Those in the Committee on Energy, Research and Technology know that we have problems and that coal could well be not only the short-term but the middle-term solution to them.

We have excellent reports before us. I welcome the fact that Mr Simonet is here, because in the final report, Document COM 1860, of 21 November, he concludes:

'With this aim in view the Commission will formulate detailed measures for the implementation of the coal policy.'

I hope that when he intervenes he will bring us up to date on exactly what these measures are and what he has put to the Council of Ministers.

On page 26 of this report, manpower is referred to, and Mr Simonet says:

'With the transformed prospects of the Community coal industry an entirely new manpower policy must be initiated. Where the accent has been on problems of redundancy, the new policy of maintaining Community

Osborn

coal production at its current level to 1985 and beyond demands an action programme to recruit, train and retain a permanent, stable and progressive labour force and management.'

That was urgent six months or a year ago. I suggest that it is even more urgent now. If the Commission feels that this matter should be looked into and supported by other committees in conjunction with a programme now, I would welcome this.

There is also a very useful background paper, produced by the Commission and published on 11 June. It is called 'Main foci of a policy for the development of energy resources in the Community and within the larger framework of international cooperation'. Its number is COM (75) 310. On page 2 there is a comparison of dollars per ton of oil equivalents. This shows that natural gas will in 1985 be the cheapest, the range being 4.5 dollars to 52. The table compares this with nuclear energy and brown coal, among other fuels. The table is continually being brought up to date and we must keep it constantly under review ourselves.

What I find difficult is a slight difference that I raised at the last committee meeting. It is embodied in the very excellent graphs we have in the Commission's document, 'Guidelines for the electricity sector'. The number of the document is COM (74) 1970 and it was published on 27 November last year. This document indicates that the use of coal for electricity is on the decline if one judges by the projected pattern for 1970 to 1990. Is that a valid projection at present or not?

In Great Britain, part of our policy has been to site electric power stations alongside the more plentiful and cheaper coalfields of Nottinghamshire and Yorkshire. It is vital that each Member State of the Community—indeed, each country in Europe—should assess its own energy strategy. During my membership of this Parliament it has become apparent to me that formulating an energy policy is almost impossible because there are far too many variables. All we can look at is the guidelines and I am grateful that the Commission is keeping the guidelines under continuous review.

In Europe, Great Britain and Germany dominate the coal industry. Germany has vast supplies of coal and lignite. Great Britain has the problem of deciding which mines to keep going and which to cut back. It has had this problem for many years. We have cut back, for example, in Wales, with the exception of anthracite, and there have been cutbacks in Scotland and the north-east of England because seams are dif-

ficult and worn out. In my area of Sheffield, there has been a cutback because the mines in the west of Yorkshire are becoming exhausted and the emphasis is to go east where the mining is deeper.

What is relevant in looking at the British coal industry as a whole is the cost of coal at the pithead in each mine and each mining area. To what extent is it economic to keep some mines open? To what extent have they to be closed? We understand that the estimated cost of Community energy production from imported coal in 1970 was 80 dollars per ton of oil equivalent. It is known that there are vast reserves of coal, and they are the best reserves of energy in the long-term view—200 to 400 years. But these reserves are in the United States, Canada and Africa. Several years ago, I pointed out that at Wankie the coal could be brought to the pit head at 50p a ton. No doubt that figure is much higher now. Then the coal has to be transported. Coal from other parts of the world could be cheaper than the best coal that we could mine in Europe. Is there to be a guaranteed price? Are we to import at some time coal at cheaper prices which would damage the vast investment which has taken place, not only in Great Britain, but in Germany as well? It is against this background that I hope my colleagues from the British Socialist Party will support the amendment, in order to emphasize, as Mr Burgbacher's report says, the need

'to take steps as soon as possible to establish a suitable, long-term ratio of hard coal produced in the Community to that imported from third countries...'

This is a vital step. We must recognize the need for safeguards against imports during a period of temporary weakness in the market; it would be fatal for the Community as a whole, including Britain, if we found, by importing coal, that we were abandoning the excellent investment which has taken place in the existing mines of the Community. I hope therefore that the House and Mr Burgbacher will have no difficulty in accepting the amendment.

(Applause)

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

Mr Hougardy. — (F) Mr President, I shall be extremely brief. My group approves Mr Burgbacher's report and we shall vote in favour of the motion for a resolution.

While examining this document, I also studied a report drawn up after the meeting held in Tokyo last May, under the aegis of the International

Ellis

It is in this context that I come to the question of manpower in the industry. It seems to me that the only field now open for us to seek improvements is the field of sociological intangibles. It is remarkable that in my country we can have two collieries with similar technical conditions—geological, and so forth—but with completely disproportionate performances. When one goes into the matter one finds that the answer to this rather peculiar situation lies in the sociological intangibles.

The translation of sociological intangibles into practical realities is difficult. It is a very complex issue, which is one reason why we wanted to defer the debate. We wanted to go seriously into what I consider to be the real practical proposals to which we can look for achieving what we want.

One of the obvious ways of translating these intangibles into practical realities is through a system of wages. I have had personal experience for a long time as a mineworker and a mining engineer, and I know that the complexities of the situation in Britain are far from having been put right. The question of obtaining the full commitment of our work force in what is by all standards not a congenial occupation must be tied to some kind of safeguarded incentive payment.

It is in respect of these most important issues that we are not going to be able seriously and meaningfully to go into the question.

Having said that, and, I suspect, having transgressed in respect of the length of time for which I should have spoken, I conclude by saying that I consider the report to be an admirable one and I sincerely congratulate Mr Burgbacher on it, and also for the forceful way in which he put it forward.

(Applause)

President. — I congratulate Mr Ellis on his maiden speech. It gave us great pleasure to hear the first speaker of the British Labour delegation in the European Parliament.

(Applause)

I call Mr Flämig.

Mr Flämig. — *(D)* Mr President, I should just like to say a few words and make one suggestion. Several speakers have pointed out that the problems of safety, i.e. accident prevention, and the social aspects must be considered in the context of coal.

I should like to remind the House that we discuss a mines safety report here every year. Perhaps

one or other of the new Members has not yet been told that we pay great attention to such things. Furthermore, we heard the rapporteur suggesting this morning that the social aspects should be dealt with in a separate report. This, too, will be welcomed by the whole of the House.

To enable us to get round the various objections to completely omitting this point—the previous speaker again stressed that it should not be left out and discussed later—one paragraph at least should be devoted to the matter.

On behalf of the following Members I wish to table an amendment to paragraph 5 of the motion for a resolution: Mr Ansart, Mr Corona, Mr Giraud, Mr Hougardy, Mr Osborn, Mr Vandewiele and myself. The amendment reads as follows:

- '5. Considers that even if Member States find themselves obliged to recruit workers from third countries, job security must be guaranteed for all workers in the mining industry. Care must also be taken to ensure that workers from outside the Community are in no way discriminated against and that measures to assure job security and health protection in the mining industry are improved.'

That, if I may say so, is a brief summary of what has been requested by various speakers during this debate. I feel that if we phrase the paragraph in this way, we will be reflecting the basic idea and can perhaps unanimously adopt what is otherwise a very good report by Mr Burgbacher.

(Applause)

President. — The proceedings will now be suspended until 3 p.m.

The House will rise.

(The sitting was suspended at 12.53 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR SPENALE

President

President. — The sitting is resumed.

8. *Time-limit for tabling amendments to the report by Mr Della Briotta on wine*

President. — I hereby inform the House that the time-limit for tabling amendments to Mr Della Briotta's report on wine is tomorrow, Wednesday, 9 July, at 6 p.m.

Ansart

a risk and is a source of concern. The specialists I have mentioned must therefore be allowed adequate time and funds to guarantee public safety.

Our policy is thus to tap every possible source of energy and to use up coal supplies until they are exhausted.

It is certainly said by geologists that there are still millions of tons of coal under the earth, sufficient stocks to last several centuries, and it should also be remembered that coal is of prime importance as a raw material for the chemical industry—over 400 by-products have already been discovered. Financial experts, on the other hand, point out that in many pits the deposits are becoming more and more inaccessible, which means that they are more expensive to extract and less profitable. In this case, however, profitability does not have the same implications as it does with other products; this is a rare and precious substance which plays a part in national independence and independence in essential spheres of human activity.

I was told last week of a plan to collect over a thousand million tons of dust from the slag-heaps in the Nord-Pas-de-Calais coalfield and process it to extract the energy it still contains.

Nowadays it is becoming easier to demonstrate, with the aid of research, that coal still could and should make a useful contribution. Experts claim that 50% of the known stocks would be sufficient to meet world requirements for over 100 years. The stocks of oil and natural gas are known to be fairly limited. A new coal policy is therefore indisputably an absolute necessity—for industry, which requires enormous amounts of energy, for the work and everyday lives of the populations of the Member States; a necessity in the mining areas, too, when immediate steps need to be taken towards redeployment and retraining, in preparation for the time when coal supplies are totally exhausted. Finally—and this is the most important consideration—a necessity for the independence of five countries in the energy sector.

The policy advocated by the group I represent is thus to make use of every source of energy, to consider all sources as complementary and in no way mutually exclusive either economically and financially or from the point of view of profitability.

In addition, appropriate measures should be taken to protect the lives and welfare of the miners, who have already paid a heavy toll to the mines, because when pits were closed down workers were dismissed and the funds allocated to research reduced. The tragedy of Liévin,

where I come from, can in no way be blamed on fate.

More financial and material resources should be devoted to occupational training and measures to ensure safety which can never be guaranteed at depths of a thousand metres and over. It should be realized that training is directly related to safety in the mines; lack of experience can cause injury and death. May I also mention the need for a comprehensive survey of coal deposits in the Community, the need for further investment and up-to-date technology, with a view to greater automatization, so that coal production is substantially increased. It is essential, moreover, for coal prices to be revised.

It must be borne in mind, too, that the reason for the substantial drop in coal production is that the policies of the Member States governments have favoured the major oil-companies and for some time more profit has been made from oil than from coal. To reverse this trend, steps will have to be taken against the oil companies. We must also try to avoid a recurrence of the situation arising from the activities of the specialized monopolies, which is developing at this very moment in the nuclear sector. One essential measure, in the opinion of the Communist Group, is to introduce public control of the mining industry in all the Member States.

All this would be part of a policy to diversify energy sources, making use of all national resources and based on long-term agreements with all countries, including the socialist states and the developing countries. This does not mean that coal imports should be a substitute for an overall coal policy in the Member States as they still are at the moment; for instance, between 1973 and 1975 coal imports have risen by more than 30%. This is why, Mr President, we regard an overall coal policy as essential.

I may say, before I finish, that I endorse all the points raised by my colleagues in the Socialist Group. I also endorse, in advance, the amendment they have tabled regarding the need for an overall policy on health and vocational training. However it is formulated, I am in favour of the basic idea.

I should also like to put forward a proposal which has already been considered by this Parliament's Committee on Social Affairs and Employment. It may be useful to set up a parliamentary committee of enquiry. I represent a constituency in a mining area. I come from the region where Zola wrote his great novel on the life of miners, 'Germinal'. I know how useful it would be to carry out an inquiry into mining potential and the measures to be taken in regard to industrial safety and vocational training. May

Ansart

I add that we must not think only of safety and training but also of human dignity and the respect for human life, and above all we must think of the immigrant workers who work in almost the same conditions as miners a hundred years ago, the victims of modern capitalism. I urge the Assembly to treat these workers with the utmost consideration.

(Applause from the Communist and Allies Group)

President. — I call Mr Cifarelli.

Mr Cifarelli. — (1) Mr President, honourable Members, Mr Burgbacher's report on the Commission's proposal on medium-term guidelines for coal for the period 1975/1985 deserves, in my opinion, to be considered not only from the economic point of view, that is in terms of energy supplies; not only from the social point of view, that is in terms of the position of employees in this sector, of their rights and the major improvements which are necessary to make this type of work meet basic social requirements, and, I would say, the moral requirements of our age. Above all, this report has a fundamental political aspect. In today's world the availability of energy implies above all independence: independence, above all in terms of war or peace and in terms of freedom of international action.

We shall see tomorrow what the press thinks about this particular matter. Being in the habit of reading a lot of newspapers, I noted that even an event of some significance such as the arrival of our British Labour Party colleagues in the House was not given the emphasis it deserved, and with the exception of the local papers was not given much space in the press. Nevertheless I would like to see what echo tomorrow's papers do give to this debate. It is indeed much easier to report scandals and crimes of violence and sometimes to blow up events out of all proportion. All the same, I think that the press would do well to give the Commission and above all the Parliament their due for having brought up and tackled this problem which is of such gravity and which, as I have said, even affects war and peace in the world.

I would recall that an increase in the price of oil—and we do not know to what extent it will be possible to prevent it—has already been announced for the month of October, which means that the organization of petroleum-exporting countries will be forcing the western world to face the dangers of a grave crisis and grave uncertainty.

Only in the last few days the Algerian Government denounced other petroleum-producing

countries for having eased the pressure on oil prices.

Now, it would appear from Mr Burgbacher's excellent report that, as far as this policy is concerned—which our Communist colleague has just described as an overall policy of coal as an energy source—it should last until after 1985; in the first place, therefore, we must develop our research efforts to the maximum; in the second place it is essential that a stockpiling policy with Community financing be established, regardless of whether the stocks are in public or private control, and, finally, we must pursue a social policy aimed above all at recruiting and training manpower for this essential occupation. What is basically called for, therefore, is an operation similar in scope to what a country does in the interests of its military defence.

The policy of reserves which has existed until now for oil should also be applied to coal. In the same way the research policy in the coal sector should be given the same priority as research in defence.

I know perfectly well that all of us have a tendency to consider world peace secure, relaxation between the superpowers irreversible, and perhaps it really is like that. It is nevertheless apparent that in today's world there are other and greater risks from those who can control certain energy sources or from those who, sometime in the future, can confront the world with nuclear alternatives. 'Madmen' as Heads of State, megalomaniacs drunk with power, belong not only to the terrible history of the past, but may well play their part in the history of tomorrow.

We have to admit that there have been plenty of small-scale wars since the Second World War even though, luckily for us, none of them has spread. Nevertheless, war is being waged hour for hour and day for day; it is being waged in the laboratories, in experiments on still more advanced weapons; it is being waged in the policies of the major states, it is being waged, finally, in the field of control over energy sources.

We should all of us therefore remember that the discussion does not turn solely on the economic aspects, the defence of our way of life and the possibilities for making progress in the social and civil field. The debate is intended to prevent situations arising in which a choice between war or peace becomes necessary and therefore to avoid agonizing alternatives.

Mr President, I should like to say that what has been put forward here can never be fully understood unless we give priority to this fundamental requirement. We, as the European Community, form a collection of free nations enjoy-

Cifarelli

ing a high standard of living and with a very large population, but we lack our own energy resources.

With the exception of what is left of our coal, all such energy sources lie outside our borders. Coal is, then, the only energy source which the Community has at its disposal. North Sea oil is very welcome; indeed I hope that the arrival here of our Labour Party colleagues coincides with the arrival of the first oil on the British coast. This will certainly represent one of the major contributions in Britain's long history to civilization and to the defence of this democratic continent, or rather of this small democratic part of a continent which, taken as a whole, has experienced and is still experiencing very different conditions.

There is no need for me to make proposals—as Mr Hougardy has done—for improved scientific research, nor to make any further observations as regards the social requirements which have been put forward. However, I would be pleased if my remarks have contributed to convincing the European Parliament of the fundamental need for our own 'defence policy' as regards energy supplies and in particular, coal. Europe must be not only theoretically independent but must also be able to live and defend itself on its own.

(Applause)

President. — I call Mr Ellis.

Mr Ellis. — Mr President, I am sure that you and the House will forgive me, as a brand new Member making his first speech in this Parliament, if inadvertently I transgress the customs and practices which I am sure this Parliament, despite its comparatively short period of existence, will already have acquired.

I will begin by explaining to my British colleague, Mr Osborn, that we Socialists did not wish to defer this debate for any frivolous reason. It was precisely because we wanted it to be as meaningful as possible that we put forward the proposal we did.

I consider the report to be an admirable one in many respects. However, like all man-made objects, it has its imperfections and in particular that contained in paragraph 5 about which I wish to speak briefly.

We regard the whole question of manpower as being inseparable from the question of the output of coal. It is not quite the same as in other industries like oil or nuclear power because, although considerable sums of capital are involved in the coal industry, it is not a capital-

intensive industry; it is a manpower-intensive industry.

I have only to refer to the fact that two-thirds of the cost of coal are wages costs to make my point that the two are absolutely linked together.

When one talks about lifting restrictions on mineworkers to make them available for the production of coal, I believe that one is in danger of making a profound mistake, certainly in the long term. It may be a short-term palliative but I cannot help but ask whether, if a particular industry is in a situation in which it must ask for migrant workers to man itself, there is something inherent in that industry which makes it less competitive for manpower than other industries. If the illness that so afflicts us is deep-seated, merely to introduce migrant workers is no more than putting a plaster on the arm of somebody who is suffering from a serious ailment.

The problems of the coal industry are essentially two-fold. There is the problem of investment, that is to say, maintaining and, we hope, increasing capacity and, secondly, increasing the productivity of the industry. That means making the utmost use of existing investment at any particular time.

In Britain—and I have no doubt that the same experience applies in other European countries which have substantial coal industries—we have found in recent years that we have been able fairly substantially to increase productivity, but at the expense of reducing capacity. For example, we have tended to close the least productive and least efficient and commercially viable collieries. By doing that, the remaining productivity of the industry has improved. But if we were to continue that process to its logical conclusion we should end up with a coal industry of superlative productivity all coming from one colliery, which would be an absurd situation. We have deluded ourselves, in Britain at least, that we have been gaining considerable improvements in productivity when, in fact, we have reached a kind of specious situation.

However, there has been genuine improvement in productivity resulting from a considerable improvement in mechanization. In Britain, in particular—and I dare say the same applies to the Federal Republic—the improvements that have been brought about simply by increasing the mechanized content of production have, for the time being at least, reached the limits. The production of coal in Britain is virtually as fully mechanized, in the short and medium term, as it will be. Therefore, we have to look elsewhere for the substantial improvements that we require in productivity.

Hougardy

Electrical Research Exchange. This report contains some extremely interesting information, which I am sure will also be of interest to you. I do not doubt that you are already acquainted with this report, Mr Burgbacher, in view of your knowledge of the subject, but not being so familiar with it, I noted several points that struck me as rather curious.

It is estimated that in 1990 the American electrical energy industry will use up to 90% of the coal extracted, which in the opinion of my group, will make it vulnerable since coal is needed more and more by the other users of primary energy. The dangers of such dependence are demonstrated by the present market situation; it has been noted, in one case, that the cash price has risen from 9 dollars per metric ton in 1973 to 32 dollars about a year later.

You know how often I have spoken on this matter in committee and I should like once again to raise a question in regard to our research and studies on the use of coal, which you may be able to answer: are we not in the process of repeating past experience with research in Europe? This extremely interesting report mentions the work carried out in Germany during the Second World War, and the various processes used by German factories to treat coal at a pressure of 600 atmospheres, converting 25 000 metric tons of coal per day.

The expansion of coal production depends on a number of factors, notably cooperation between miners and employers. Nowadays attention also has to be given to the difficulties of transporting fuel from mines to power stations. This could perhaps be resolved by transporting the coal in pipe-lines, in fluid form.

The processes I have mentioned are, I think, changing completely at the present time. According to the report I referred to, the United States is currently carrying out research and trying to set up large-scale processing plants treating thousands of millions of tons of coal a day and operating economically at a much lower pressure—about 100 atmospheres.

These are the points I wanted to raise with the rapporteur. To judge from the reports I have studied, it seems that in spite of their technical know-how on the liquefaction of coal, the Americans are only just beginning to study the engineering, construction and operational methods of the large plants so that the applicability of liquefaction methods can be tested in the period 1980 to 1985.

These are the observations I wished to make to Mr Burgbacher concerning research and technology.

(Applause)

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

Mr Ansart. — (F) Mr President, ladies and gentlemen, Mr Burgbacher has produced a useful and necessary report, at a time when the question of energy is of crucial importance to the nations of Europe. He is to be congratulated.

He states that unlimited cheap energy is now a thing of the past, and also that coal is not outdated as an energy source. This is a point on which we are both agreed.

He also points out that there has been a substantial drop in coal production in the Community and believes that appropriate economic and social measures should be taken to revive the sector.

In his report, we feel, he is not afraid to contradict or disagree with a number of erroneous conventional views.

Coal is not, in fact, outdated. Those who tried to defend it as a useful source of energy have in the past been unjustly regarded as old-fashioned in their ideas. Today, it is generally acknowledged that coal should not have been quite so thoughtlessly abandoned. It was an ill-advised policy to stake everything on oil so that mines were closed down and millions of tons of coal wasted. A pit that is closed down and not just kept in reserve is completely wasted. If it is not to go to waste, considerable sums have to be spent in setting it back in operation.

During the last war the Americans reopened mines that had been closed down, in Texas, and used them as a reserve. The same was done in eastern France in that period. This is evidence that an effective energy policy always depends a great deal on coal.

Now there are plans in certain quarters to concentrate entirely on nuclear power, just as before with oil; nothing has been learned from past mistakes. Nuclear power is also a source of quite legitimate public concern.

I should add that we are in favour of progress, and continued progress, in this field as in others. We are not afraid of new discoveries; on the contrary, we welcome them. We believe that man is fully capable of controlling nature; witness the history of man's long struggle against nature. However, the full benefits of nuclear energy will not be felt for some years, and we all know that it will not meet the requirements of the whole of Europe. Furthermore, although scientists, researchers and experts can deal with the risks inherent in its peaceful and industrial use, it is nevertheless true that nuclear energy involves

9. *Medium-term guidelines for coal 1975-85*
(cont.) — *Statement by Mr Simonet,*
Vice-President of the Commission,
on the decisions of the Council
of Research Ministers of 26 June 1975

President. — The next item is resumption of the debate on Mr Burgbacher's report on medium-term guidelines for coal 1975-85.

I call Mr Simonet.

Mr Simonet, Vice-President of the Commission. — (F) Mr President, we are all aware of Mr Burgbacher's intellectual and emotional commitment to the mining industry, and I have no doubt that the interesting views he has expressed in his report will be favourably received by the Commission.

I propose to concentrate in particular on four topics which are the main themes of this excellent report and the discussions of the report in the Committee on Energy, Research and Technology.

The first is the balance to be established between the optimal development of Community production and import policy. The Commission is well aware that the somewhat difficult conditions of competition in the coal industry give rise to the delicate question of the relationship between Community production and the level of exports. No doubt your committee will have observed that even the provisions of the Treaty—which is surprising considering when the ECSC Treaty was drawn up—considerably restrict the Commission's scope for action in regard to the common commercial policy. In view of the restricted role conferred on it by the Treaty, its task is therefore to inform and persuade governments and the main users.

I think it can safely be said that the Commission, whose aim is to keep Community production at as high a level as possible—around 250 million metric tons—will endeavour to establish and maintain a regular dialogue with governments, producers and users, with a view to achieving the essential balance between coal imports and Community production.

I can therefore assure Mr Burgbacher and the members of his committee that the Commission will try, as far as the Treaty permits, to modify the policy on coal imports from third countries, in collaboration with the governments, users and producers; with the level of production we considered necessary for the Community to be autonomous in the energy sector, we will ensure that its excessive dependence on imported oil is reduced.

The question of subsidies is the second point raised in the report and Mr Osborn referred to it again this morning when he asked the Commission to define its position on the subject.

Certainly a considerable proportion of Community production is unable to withstand the uncontrolled competition of imported coal and we must therefore devise a system of subsidies which would promote the long-term development of the coal industry not on the basis of restrictive economic criteria but in the light of economic policy considerations, the chief among which would be guaranteed supplies and independence of third countries.

At the moment, the Commission uses two kinds of subsidy: a system of specific subsidies applied to coking coal and a system of general subsidies for the mining industry as a whole.

In the next few weeks the Commission intends to submit to the Council a proposal for a system of subsidies to the coal industry enabling coal production to be maintained at approximately 200 million metric tons for market estimated at about 300 million metric tons of coal per year. I think that the change in the Commission's approach—soon, I hope, to be reflected in the Community's policy—should be underlined.

For many years now the situation, particularly the fact that the prices of Middle East oil have continued to drop, has, rightly or wrongly, given rise to a coal policy based on the reduction, indeed the deterioration, of production capacity to a point where the mines still in operation were more or less capable of standing up to competition from imported energy, because of their specific uses.

Today, the order of priority has to be reversed. I was talking a minute ago about the change in the Commission's approach, which I hope to see reflected in the Council's political decisions.

Our attitude has indeed changed. We now consider that our main objective should be to reduce—I will not say abolish, for that would be unrealistic—the Community's energy dependence. This means that at a particular point we fixed a specific target of 250 million metric tons for coal production and devised our system of subsidies on this basis.

I must say straight away that this system is not supposed to be a safety net to subsidize uneconomic undertakings. Certainly the Community should pursue a coal policy in which the rationalization of the industry and the establishment of suitable working conditions to attract the manpower needed if production is to be increased are the main considerations in the industrial sector.

Simonet

The aim is not to encourage 'lame ducks' but to provide the coal industry with a rational system of subsidies to guarantee a minimum safeguard for any investments made.

Such a system should enable us to maintain the necessary production capacity for the development of our economy. Here we come to a third point—our medium-term policy, which is also very important.

Obviously we realize that this is an extremely difficult undertaking, especially as we, and the governments and other Community institutions, in particular Parliament, will have to make an effort to win the support of an industrial sector which, because of past experience, has tended to neglect coal in favour of another energy source, namely oil, which was more economic at the time—I am talking about the electricity generating sector.

The Community and its Member States must persuade this sector, in its long-term interest, to make special efforts to promote the coal industry, so that we can achieve our objective—that coal should provide around 17% of our energy requirements.

It is evident from the first aspect of our coal policy which I mentioned just now—the need to maintain coal production at 250 million tons per year by means of a rational system of subsidies—that this decision must be implemented over a long period; this will be possible only if we can count on the cooperation of other industrial sectors, and primarily the electricity-generating sector.

In so far as Mr Burgbacher's report stresses the need to find outlets to stabilize coal production by bringing it up to a satisfactory level, the Commission fully endorses it.

Finally you have stressed the need for further research, and on this point too we are fully in agreement with your committee.

I shall confine myself to mentioning two figures which are not, perhaps, very high, but they form part of the substantial overall budgetary contribution the Commission makes to the various sectors. In 1973, the allocation for research into the mining sector was 6 080 000 u.a. For 1975 it will be 13 900 000 u.a., that is twice as much as two years ago.

This should be enough to convince you, notwithstanding the fairly small amounts involved, of the Commission's determination to promote research into the expansion of the coal-mining sector.

It remains for me to answer a question raised by Mr Vandewiele.

The area he mentioned is being given special attention in two Member States, the United Kingdom and the German Federal Republic—the two countries with the highest production potential.

The Commission is considering the advisability of supplementing this national research by Community research. If in the next few months we decide that the national research programmes need to be supplemented, we shall then submit appropriate proposals to the Council.

I shall conclude by thanking the Committee on Energy, Research and Technology, and in particular Mr Burgbacher, for the report submitted to the Assembly and for its invaluable contribution to the Commission's efforts to promote coal production potential in the Community and to create the right conditions for a satisfactory degree of independence as regards imported energy.

(Applause)

President. — May I now invite Mr Simonet to make a statement on the Council decisions of 26 June 1975.

Mr Simonet. — *(F)* Mr President, ladies and gentlemen, the agenda calls for me to make a statement on the outcome of the last meeting of ministers responsible for energy policy, on which Parliament has asked me to report.

As you know, this Council meeting was held on 26 June last.

I shall try to make a distinction between what I regard as not exactly subordinate but secondary to the main objectives of our energy policy, and what I consider essential.

Running rapidly through the agenda, there were a number of items relating to immediate action which I appreciate are important, otherwise I should not have raised them with the Council, but which, although they would, if they were adopted constitute a slight but appreciable step forward in the Community's energy policy, would not affect its overall trends.

There were then two more specific items affecting the existence of the Community itself and the actual basic principles of its energy policy.

I shall begin with the secondary items, which are nevertheless important, and shall conclude by discussing the two fundamental points: the implementation of a Community policy for developing alternative energy sources—with all that this implies in regard to the minimum degree of protection necessary for the autonomous energy sources involved—and the elabora-

Simonet

tion of a Community system for allocating oil in periods of crisis.

As regards the items I have described as secondary, I must say that the discussion was interesting. It did not result in any formal decisions but it revealed a fairly broad consensus between most of the delegations; unfortunately discussion of most of the points ended in what Victor Hugo, speaking of Napoleon I believe, described as 'the supreme hope and the supreme idea of all governments'—in the case of the Community authorities, reference to the Coreper.

In other words, the ministers were disposed in favour of all or most of the questions we raised, in connection with the Community financing of hydrocarbon research projects and other matters, but then referred the questions back to the Committee of Permanent Representatives; this would not be so disturbing if it were not becoming such a widespread practice, although I stress that I have the greatest respect for the permanent representatives of the Member States.

This situation, although it is not yet too serious—and this was the point I wished to emphasize—seems to me to reflect a disturbing tendency by certain councils (I am not saying all) to be over-ready to refer certain questions which are ready for a political decision, and could, therefore, be settled, back to the committee of ambassadors, who are, certainly, very senior and competent officials.

It remains for me to touch on the fundamental points which I think should be given rapid consideration by the ministers, before the results of the International Energy Agency are known.

I should like to comment briefly on these, if I may.

It was Churchill, I think, who expressed the view that democracy was the worst possible system, all the others systems apart. In the same way, Community councils are the worst councils, apart from all the others. This was recently illustrated at the meeting of the Agency's council. In fact, from what I have been told, the most inconclusive meetings, those that have been most discouraging as regards wide differences of opinion and unsatisfactory results, have been completely put in the shade by the discussions in the Agency council, which—I am tempted to say fortunately—did not reach any conclusions.

Let me explain: the Commission's chief concern in the Council—and this was the ideal solution we were aiming for—was to try and persuade the Nine to work out a joint position on their policy for developing energy sources and in particular the arrangements to be made to safeguard new energy sources against a sudden

drop in oil prices. This was slightly different from our approach in previous discussions on the floor price. We were trying to suggest to the meeting ways of evolving alternative energy sources before continuing the debate—which I regard as fairly pointless and a meaningless ritual—on the degree of protection needed to ensure that these new sources are viable.

There is a well-known argument used by experts on economic underdevelopment in regard to the use of tariff barriers or quantitative restrictions to protect the new industries in the developing countries—'the child must be born before it can be protected'. I am sure you all agree that it is a sensible argument. Before worrying about how we can protect the energy sources evolved as an alternative to oil, particularly Middle East oil, we must consider what these sources are to be, how they are to be developed and financed.

The debate we hoped for in the Council was a debate on ways and means of developing new energy sources and the measures to be taken to finance this. We felt that the question of protection machinery was more or less secondary. Our concern was to persuade the Nine to adopt a common standpoint; this was our ideal objective.

If we were unable to achieve this, we hoped at least to persuade the Eight who are members of the Agency to present a united front in the discussions with their partners, in particular the Americans, who, as we know, are very strong negotiators, although this has been somewhat obscured recently by their domestic policy problems. We wanted to achieve a reasonable consensus, even if only at a comparatively general level.

As I said just now, almost as a *cri de cœur*, fortunately the question did not arise, as problems arose in the Agency itself which prevented the Eight from adopting individual positions in the discussion. I should add that I am not expressing an opinion on the Agency's incapacity to define its position on the development of energy sources and the establishment of protection machinery. For the time being, I am simply stating that no agreement was reached and the discussion was even less satisfactory than other Council meetings have been. We therefore have more time to reflect on the matter before the Council's next meeting, planned for December.

We tried at least to persuade the Eight to consider certain ideas which we felt could form the basis for a coordinated viewpoint in the Agency. We know that the negotiations with the United States will be difficult and that the Eight will have to make specific proposals at some

Simonet

point. We suggested that they should adopt the principle of a minimum degree of protection, because we felt that at a certain point the degree of protection is inseparable from the development of alternative energy sources. We want to avoid a recurrence of the situation in the early sixties when, as a result of the availability of plentiful and cheap energy supplies, the coal sector declined and the development of the nuclear industry was curtailed. We thus believe that the two factors are closely linked, even if we feel that development policy should have priority over the question of protection. We therefore suggested to the Eight, and also to the ninth partner, as a basis for consideration, that they should adopt the principle of a minimum degree of protection.

Secondly, we proposed that before the end of the year the Countries that were members of both the Agency and the Community should take stock of the laws and regulations that could be used in the application of the protection machinery. We also suggested that they should draw up a list of all the potential resources that could be used in each of the Agency member States and that subsequently all the countries that had potentially very few alternative sources of energy should hold a meeting. These countries could assess the benefits of having access to the new sources developed by the countries potentially rich in such sources, subject to a security premium when accepting the minimum degree of protection, in other words a price which could be higher than the price of imported oil at a given time. Of course, in return for the contribution agreed on by the less well-provided countries, the countries that were able to develop their national alternative energy sources would give the partners who had accepted this minimum degree of protection free access to these new sources.

There has been no formal decision on this matter, but I hope that the idea will bear fruit and inspire the Community Member States represented in the Agency in future meetings.

We also proposed a mechanism which we regard as essential if, in the event of a further crisis, the Agency's allocation system was applied to eight of the Community Member States, while the ninth was excluded.

A very grave responsibility has been imposed on the Commission. It can simply do nothing, and be party to a violation of the Treaty, since, as the French Government rightly pointed out before the signature of the Treaty establishing the International Energy Agency, eight of the Member States, despite the undertaking they gave before signing the Treaty, would not be able to give the ninth partner a guarantee that

the free movement of oil and oil products in the Community would be maintained. Or else the Commission, as an upholder of the Treaty, can make an immediate proposal, and organize a system which would enable the Community to act of its own accord in the event of another oil crisis, since a Community mechanism would be superimposed on the machinery set up by the Agency, ensuring that the ninth Member State would not be excluded from the arrangements for free movement. In this way the Eight would not be obliged to infringe the Treaty in fulfilling the obligations imposed on them by their membership of the Agency.

I regret very strongly that the government to which this concession has been offered has rejected the mechanism proposed by the Commission, for political reasons that I shall not go into here, claiming, in my view mistakenly, that this has been provided for in the agreement concluded in the Agency.

I should also like to repeat categorically that if by some misfortune, the Middle Eastern oil-producing countries decided to precipitate an oil crisis, the Commission wants to take steps in good time to ensure that Europe can survive on its own, with the aid of that unflinching solidarity that should be the mark of the Community. I do not regard it as a valid argument simply to say that the question will not arise.

I think it was a French statesman who said that the essence of good government was to make provision for the future. The Commission's duty was to present the governments of the Member States with a mechanism which, if they adopted it immediately, could protect us against a breach of the Treaty and the collapse of the common market. I must say once again, with a great deal of emphasis, that I regret that no agreement has been reached on this point.

The Commission is anxious to establish where responsibility should lie. I wish to stress here and now that we are fulfilling our responsibilities and we shall continue to do so. I intend to raise this question again at a future Council meeting because it is a question that affects the Community's whole life. Without proper solidarity in times of crisis, there may be cooperation between companies, consultation between businessmen, but there will be no fundamental agreement between nations, states and individuals. In other words, there will be no Community.

Mr President, I have been as brief as I could; that is the statement I wished to make to Parliament, and I should like to repeat how much we appreciate the support the European Parliament has always given us. I am sure that, as

Simonet

it is at present constituted, it will continue to have a deep sense of responsibility for the survival and development of the Community. For the Commission, its support is essential and irreplaceable.

(Applause)

President. — I call Mr Springorum.

Mr Springorum, Chairman of the Committee on Energy, Research and Technology. — *(D)* Mr President, ladies and gentlemen, I should like to thank Mr Simonet for coming here today and informing us of the desolate situation as regards a common energy policy. We should be grateful to him for the clarity with which he has spoken. We can now see what dangers we face.

I recently spoke about what the Secretary-General of the International Energy Agency had said in Cologne: the real challenge in the area of energy supplies and energy policy was still to come. I know that the Commission, too, has similar anxieties and similar fears. It is therefore all the more depressing that those responsible in the Council cannot agree on a system which includes some kind of provision against future crises. None of what has been said in this House about the Summit Conference and the energy policy, none of what the French and American presidents once discussed in Martinique will apply once the Community's energy policy assumes concrete form, once a common policy is fixed.

The Commission has put before the Council what I consider to be two fundamental proposals, the first concerning intra-Community trade in mineral oils and mineral oil products, and the second, intra-Community distribution of mineral oil products in the event of an energy crisis.

The Energy Agency has also discussed these two questions, eight of its Member States having already entered into certain obligations. The ninth country rejected this proposal on the grounds that there was no sign of a crisis.³ This is tantamount to saying: why should I build a dyke; the sea at the moment is so beautifully calm? Another reason for the rejection of the proposals—and this is exactly what the minister said—is that France can never approve at Community level what other Community countries have decided in other international bodies. How agreement is ever to be reached in this way is completely beyond me. On the one hand, there are appeals for European solidarity when it comes to the sale of aircraft and agricultural products. On the other hand, reference is made to inalienable sovereignty when a policy just happens not to fit in with the corresponding national policy. Mr Simonet spoke of the guide-

line which the Commission has gratifyingly put forward. It was not the subject of further discussion either, the reason given being rather interesting: a reference price and its consequences might be seen as a form of confrontation by the producer countries. We can only hope that at their meeting in the middle of this month the Heads of State or Government will still find a way of reaching agreement. If they do not, the collapse of the European Communities in the event of an oil supply crisis is already on the cards. The oil sharing planned by the International Energy Agency can only work as a means of joint oil sharing if it applies to everyone. The same would be the case if a Member State was discriminated against. It is not difficult to guess which treaty will be breached if it should come to a mineral oil supply crisis. Every litre of oil and every litre of fuel oil would be checked at the frontiers. Everyone would make sure that he kept his share, and the Community would in the end be smashed like a clay pot.

I am astonished that the public does not clearly recognize how real this danger is. I feel that we as a Parliament have the obligation and that the Commission also has the obligation to draw the attention of the public to this grave danger. On one occasion in the past the Committee on Energy, Research and Technology threatened to stop work if a common energy policy could not be set up within the Community. I should like to remind the House of its decision at that time. Prepare yourselves for the tabling by our committee of a motion along these lines after the recess, not because we believe the worst can be prevented in this way, but simply to point out to the public that in these circumstances joint work is no longer possible for us.

(Applause)

President. — I call Mr Dalyell.

Mr Dalyell. — I should like to ask three questions arising out of Mr Simonet's introduction.

The first is in relation to what Mr Simonet said about the coal industry and the environment. Have the Commissioners any specific ideas for further help in the immediate future for those regions which need environmental help because of the despoliation caused by the coal industry in the nineteenth century and early twentieth century?

My second question arises from what Mr Simonet said about a common approach within the Agency. It is well known both that the United Kingdom has ear-marked a great deal of money and resources for the steam generating heavy water reactor, and that the Government of Western Germany has entered into a major

Dalyell

nuclear contract with Brazil. Before the Western Germans did this, and before my Government stated its options, was there any consultation with the Commission? It seems to some of us that if there was no such consultation, it was a great pity, because unless industry can be standardized on basic requirements we shall not reap the advantages that we all want to see from the common policy.

My third question concerns a delicate issue, and is prompted by Mr Simonet's welcome candour at the end of his speech, candour that my colleagues and I from the Labour group very much applaud. I can best put it in the terms of Mr Leonardi's report. Paragraph 3 of the motion for a resolution says that Parliament:

'Considers that every possible effort should be made to stabilize the consumption of crude oil at the present levels and to meet future increases in demand from other energy sources.'

The report continues—and it will be understood that for some of us this is a gut issue:

'As large a proportion as possible of crude oil consumption in the foreseeable future should be met from Community deposits'.

Presumably, the 'Community deposits' involve the oil in the North Sea, possibly natural gas off the coast of Holland and off the English coast, and possibly oil to be found in the Channel and the Aegean. But perhaps the Commissioner could spell out precisely what is meant. This matter of depletion rate is a very hot political potato for some of us.

Many people in Britain would take a more relaxed attitude towards a common policy on North Sea oil if we were convinced that there was also a common policy to find alternative ways of creating the energy that we shall need from the 1990s onwards. That is why many of us who are newcomers very much welcome the imaginative work that has been done by Mr Leonardi and his colleagues, whose report we are to discuss in September.

President. — I call Mr Van der Hek to speak on behalf of the Socialist Group.

Mr Van der Hek. — (NL) Mr President, on behalf of the Socialist Group, I should like to put a few questions and make one observation.

We think it is all too clear from Mr Simonet's words that we have again landed in a crisis situation in the Community as regards energy, not because of oil, but because of the internal failure of the Community as such.

The first time that happened was during the oil crisis. The Community then failed regarding all the essential aspects of the Treaty. The internal market did not function. The common commercial policy did not function and the competition provisions were not applied.

What did the Commission do then? It said it deplored the situation. But did it accept its responsibility by telling the Council it would not go along with it?

No, that the Commission did not do.

We accepted that then. In the last analysis there was too much at stake then for an institutional crisis to be acceptable.

Now, all these months later, the situation we could all see coming has arisen. Eight Member States of the Community have joined the International Energy Agency; one Member State has not.

What is the International Energy Agency?

In the first place, a sort of distribution system in cases of emergency shortages caused by factors outside the Community.

If this kind of distribution is to be set up between the eight, what is to be done to the internal market to keep it functioning?

What is to be done with the ninth Member State, if the Treaty is to be kept to?

Mr Simonet has rightly said that there is only one solution for this: the Community itself will have to develop a mechanism of its own in which the ninth Member State also participates. This has to be a Community mechanism, and has to be in line with the obligations the eight have undertaken by joining the International Energy Agency.

That remains to be done. But suppose one Member State says it will not play along because it would then be being forced to accept a mechanism developed from the International Energy Agency, and that for it the functioning of the internal market is of secondary political importance: that an independent French policy is primary, and the Community will have to take second place to that.

That would mean that France should not take second place to the Community, but that the Community should take second place to France.

That is unacceptable to the Commission. My question is, then, what the Commission will do if France persists in this attitude.

Will the Commission, now that we are no longer in the middle of an oil crisis, try to arrange

Van der Hek

matters in such a way that crises of this kind—or, at any rate, their consequences—can be avoided; will it face its responsibilities, or is it going to continue with a hand-to-mouth policy of half-measures? In the latter case, this Parliament, the controlling body with regard to the Commission, will find itself in an interesting situation. This is a very important question.

The second point concerns the development of alternative energy sources, and here there must be a minimum guarantee that investments and effort put forth are not brought to nought, for instance by the collapse of oil prices. This is a very logical line of thought. And as far as this is concerned, we can see that eight Member States are being brought, at the Commission's suggestion, under the same denominator, while one Member State will clearly not willingly cooperate. This raises the same political question as the one I have just put.

I would, however, ask yet another question. If the eight Member States in the International Energy Agency do set up such a guarantee mechanism for the development of alternative energy sources and one Member State does not play along, what guarantee will there be of competition conditions in the Community being maintained as they should be? If one Member State is allowed to go its own way here, this is the beginning of the end.

Mr President, those are my questions to the Commission.

(Applause)

President. — I call Mr Osborn.

Mr Osborn. — Mr Simonet's statement has come as quite a revelation to me as a newcomer to the House. The fact that the meeting with the Council of Ministers was so unsatisfactory must be disturbing to all the peoples of Europe.

I was interested in his comment regarding the growing practice, where there is disagreement among the ministers, to throw this back as the responsibility of the Commission. Perhaps this is a common practice to which Mr Simonet referred—an only too common and increasing one—but I feel this is where we as the House should come in. The ministers of our respective countries have their responsibilities, but we as Members of Parliament in this House also have our responsibilities. What I find a little difficult, if we accept this responsibility, is what we have to clarify now.

The first question I wish to ask Mr Simonet I have raised before. We are still living through an energy crisis, because we are dependent upon

political agreement between nations, outside the Community to continue to supply us with oil, even though our requirement has reduced.

Secondly, concerning future meetings, would Mr Simonet clarify something I may have misheard or misunderstood? I thought he said the next Council meeting was in December.

Mr Simonet. — In September.

Mr Osborn. — I am sorry, I misheard him.

I understood from Mr Brunner that there were to be meetings in July. Could Mr Simonet explain what is happening in July and what is happening in September?

Thirdly, Mr Simonet raised the very important point: cannot the members of the Community establish a minimum basis of agreement? What would be a reasonable minimum basis of agreement? Can we have that spelled out? Perhaps he could put pressure on our respective countries to ensure that the minimum is agreed at an earlier rather than a later date.

I come back to an important issue which Mr Dalyell raised. In Great Britain, and perhaps in Scotland and the Shetlands, we know we are likely to have an indigenous supply of hydrocarbons as well as of coal. I raised this matter in the previous debate on coal. However, we also know, as regards the capital equipment, that extraction of both coal and oil, is likely to be easier in other parts of the world than in Great Britain, the North Sea or the Celtic Sea. What progress can we make towards ensuring a reasonable minimum price for coal and a minimum price for oil? As to the latter point, we ought, of course, to be discussing this under Mr Leonardi's report, discussion of which is now postponed until September. As I see it, a vast amount of British money—State money, because the oil company is a joint venture between State and private enterprise—and outside money has been poured into North Sea exploration and development. The capital cost of equipment for the extraction of a barrel of oil from the North Sea is likely to be about 10 times as much as that for the Middle East.

Having invested this money in the North Sea, we, as British Members of Parliament, want to guarantee a market in Europe. I should like to know what progress has been made to establish a minimum price so that the vast funds invested in the North Sea are secure and are not sacrificed to competition from outside.

President. — I call Mr Normanton.

Mr Normançon. — Mr President, I am grateful to you for giving me an opportunity to make two points. The House will undoubtedly recognize that we, as parliamentarians responsible to our national and Community peoples, have heard one of the most forthright and courageous declarations that have been made since the outbreak of the last energy crisis. We are grateful. We must acknowledge it.

(Applause)

Secondly, although we and the Commission are proceeding on the basis that eight out of nine Member States are presenting a solid view to the International Energy Agency, it would be churlish to ignore the fact that French interests are actively and deeply involved in the exploration of the North Sea. A deputation from the Committee on Energy, Research and Technology saw at first hand an example when we visited a gas rig in the North Sea two weeks ago.

Lastly, I would ask the Commissioner whether he is confident that, just as in the last crisis when multinational companies bailed the politicians out, in the event of a repetition of the catastrophe of 1973 he can rely—in the absence of a Community policy—upon the multinationals doing it again?

I urgently appeal to this House and ask Mr Simonet to call upon Members of Parliament of this House to subordinate national, party and group loyalties in giving him the support which the requirements of Europe desperately demand.

President. — I call Mr Hougardy.

Mr Hougardy. — *(F)* Mr President, ladies and gentlemen; I think we should all thank and congratulate the Vice-President of the Commission for having stated the position so unequivocally.

I will not be heartless enough to enumerate all the examples of failure and indecision by the Council; time is too short and the list would be too long.

Mr Simonet has just shown how deplorable it is that Europe should not be able to speak with a single voice on a matter so crucial. And, if I may be allowed to interpret what Mr Springorum has said, he is pointing out that in actual fact the Community does not have an energy policy. I think we should all be fully aware of this point.

However, I should like to conclude by asking the Vice-President of the Commission one question. In view of the considerable costs involved in research, could we not imitate the example

of the United States and encourage and finance research by companies by offering these companies special tax arrangements to permit self-financing?

That is my question.

President. — I call Mr Noè.

Mr Noè. — *(I)* Mr President, I too should like to put a question to Vice-President Simonet, for whose clear exposition of the complicated energy situation I should like to thank him. My question is this: one of the measures it has recently been decided to adopt and on which general agreement has been reached is to cut down energy wastage by making more rational use of it. Since this measure does not, fortunately, call for either negotiations nor relations with other countries but can be undertaken autonomously by the individual Member States, I should like to know whether, in accordance with the undertaking given some six months ago, these countries are actually taking these measures. To my knowledge the provisions aimed at reducing waste have been fairly slow in getting under way. I should therefore like to have some clarification on this matter.

President. — I call Mr Simonet.

Mr Simonet. — *(F)* Mr President, ladies and gentlemen, I should like to thank the various speakers for their questions and comments, including Mr Van der Hek, whom I shall reply to last. This privileged treatment is explained by my sympathy for his views and my political affinity with him, and also by the tone of his speech. I shall try to give it a fitting answer. Mr Dalyell has raised a number of points. As far as his first point is concerned, my answer is that his compatriot Mr Thomson has been working commendably and untiringly in the Commission with this very object in mind—to find a solution to the problems of the areas devastated by the mining industry in the nineteenth and early twentieth centuries—and the aim of the Community's regional policy is to deal with problems of this nature.

Mr Dalyell must certainly be aware of the work Mr Thomson has done, particularly in ensuring that regional policy is given adequate scope and resources to cope with the kind of problems he mentions.

Secondly, Mr Dalyell asked whether there was any consultation between the Community institutions and West Germany before German industrialists signed their contract with Brazil.

Simonet

There are two aspects to this question : whether these contracts are compatible with the Euratom Treaty, and here my answer is in the affirmative; these consultations did take place, and both the German Government and the industrialists therefore complied with the provisions of the Treaty.

Secondly, the question implicit in contracts of this nature—the common industrial policy. This is non-existent. It is therefore inevitable, however regrettable this may seem to us, that each individual country, and the industrialists of each Member State, should try to promote their own interests.

I am not saying that they do this to the detriment of the Community, quite the reverse in fact, since I assume that there are repercussions for a number of other countries; but when a dynamic country like Brazil, which is no longer exactly part of the third world, is setting up nuclear plant on a large scale, we might have hoped, both politically and sentimentally, that this would be done in conjunction with the Community and not as a purely national undertaking. As long the Community refuses to adopt a common industrial policy, with all that this implies, this will be a situation which, though we may deplore it, we shall not be able to avoid.

Mr Dalyell then raised a question which is, on the surface, of limited implications but it will afford me the opportunity—and this is a reply to Mr Osborn as well—to say something that I feel needs to be made clear. I find this easier to say because I have the feeling that the British delegates, even apart from the result of their referendum, are convinced of the need to play a full part in the Community. I have the greatest respect and admiration for the British delegates themselves and for the British people, and so I hope that they will not mind my saying that there is a lack of consistency in the British attitude which may be attributable to the fact that they are seemingly unfamiliar with Cartesian thought—but which should, nevertheless be underlined. You cannot ask others to organize a system to protect your oil production and at the same time insist at every opportunity that you want to keep it for yourself.

(Applause from the British delegates)

It must be either one thing or the other. I suppose that oil is a bit like bayonets, of which Mirabeau said that you could do everything with them except sit on them. It is rather similar with oil; unless you obtain an aesthetic satisfaction from producing oil in these circumstances, and then keeping it for yourself, I do not see why you should not produce enough to meet your needs and those of others, and therefore to

sell it, thus alleviating your balance of payments problems.

I am therefore suprised at this sort of psychological obsession you seem to have with your oil. If you want an assurance from the Commission that you can have complete control over the ownership of the oil, the conditions and rate of production, you have it, and I am not the first to say this because this has always been the Commission's attitude, and it is entirely compatible with the letter and spirit of the Treaty. Now that you have been given this assurance, perhaps you will give up your obsession about British—or English or Scottish—oil and regard it as a product like all the others, capable of meeting certain of your industrial needs and providing the exchange revenue to attract the benefits that an economy as open as yours needs. Then, when you have realized this fact of economic life, you will free yourself of the psychological constraints that have influenced your policy.

But I must stress that you cannot ask the other Member States to accept a protection mechanism for a form of energy which is, after all, costly compared with oil from the Middle East or other areas outside Europe, and then say in the same breath that of course now you are sure that it will be protected by a production mechanism you will not produce any because you are afraid supplies will be exhausted and you want to be the ones to decide at what rate it should be extracted.

Now that I have made this clear—and I repeat that I have the greatest affection and esteem for the British—I shall return to Mr Dalyell's question. It is true that we do have a policy, or at least the Commission would like to see the Member States work out a consistent policy. The objective that we are proposing for the Community for 1985 is to save a quantity of oil equivalent to the amount likely to be extracted from the North Sea in that year.

If we do not economize on other sources of energy, you will be able to contemplate your oil with proprietorial satisfaction, because you will not sell it. If any other saving is achieved it will be, as you say 'across the board', that is to say, it will come from other energy sources as well, and you will be able to obtain equal satisfaction by selling it.

You spoke, Mr Dalyell, of the need for a common policy in other sectors, and you said that this would create 'a more relaxed attitude' in British opinion.

I can assure you that it is the Commission's intention to evolve a common policy, particularly

Simonet

in the coal and nuclear sectors, in other words the two alternative energy sources, and we are convinced that, in view of the financial resources needed and the scale of our design, there can be no truly effective policy except at Community level.

And if you think that there would be a more relaxed attitude in Britain if you received an assurance that a common policy would be evolved in other sectors too, you can be sure that you will find an ally in the Commission, which entirely shares your belief; we feel that there is no intermediate stage between dependence and fully coordinated Community action. Either we remain dependent, on the Middle East producers or the United States, on alternative or imported supplies, or we try to assert ourselves as a Community, in the wider context of international cooperation; I do not think there is any other course we can take.

Mr Osborn, I probably made a slip of the tongue. I said 'December' when I meant to say 'September'. You will realize, when you have had years of experience in a European institution, that such mistakes are unavoidable.

(Laughter)

You spoke of a 'minimum basis of agreement' in the Community. I apologize for quoting someone whom you are perhaps not familiar with in Britain, but who is comparatively well-known in the French-speaking part of Europe—Mr de La Palisse—in saying that I think that the minimum basis for the development of alternative energy sources in the Community is initially a political decision to make a real effort to develop such sources. This calls for joint action by all the governments—and I want to say, here, in answer to Mr Van der Hek's excellent speech, that I fully appreciate that his government may have difficulties in view of the particular situation in the Netherlands in regard to the priority given to nuclear development. In the objective that we are setting for the Community as a whole, we are not asking for an equal effort from all the Member States, but an identical effort, in other words the same degree of political commitment and, shall we say, the same degree of political difficulty. This does not mean that the Netherlands will build as many nuclear power stations as the other Member States, because the circumstances might be quite different. This also applies to Denmark and means that, in the common energy policy, which is a collective and united undertaking, the efforts and sacrifices made by the Netherlands will be, *mutatis mutandis*, just as great as those made by the other Member States.

Finally, I should like to reply to Mr Norman-ton. The expression he used, 'to bail out', was well chosen. If I understand the situation correctly, in 1973 the multinational oil companies helped the politicians to escape from the situation in which they had trapped themselves. Mr Norman-ton asks if this will happen again. I cannot say whether they would be able to do so if a further crisis developed while the Community, and the work of the Agency, were in their present state. I do not know if they still have the power to do anything in the event of a crisis, but I do know that they still have the power to obstruct. Let me give a simple example. At the moment the Community—and I think it would be true to say most of the member states of the Agency—are trying to obtain information on the activities of the multinationals, not overall statistics but 'broken down' statistics which will enable us to see exactly what each company is doing in particular countries. We have not so far managed to persuade the United States to provide this information, and we believe that this is the result of pressure from the multinational companies. I cannot say whether they would still be capable of taking action. What I am saying is that they can still put up obstacles to certain projects that would be useful to us.

I now come to the last question, raised by Mr Hougardy. He is probably aware that the system he mentions is no longer used in the United States. In any case, I must point out that this does not fall within the Community's sphere of responsibility. It would be the responsibility of the Member States and I must say that in the present political situation I find it difficult to imagine many governments that would find it useful to introduce fiscal measures of this nature.

As for Mr Van der Hek, I have the greatest liking and respect for him, and I know the secret penchant all Dutch politicians have for delivering sermons, and I must say that Mr Van der Hek has given us a fine example of European spirit. Unfortunately, I think he has chosen the wrong audience.

(Laughter)

At least, if he was trying to teach the Commission a lesson in Europeanism he was preaching—although admittedly with great eloquence—to the converted.

Since the beginning of the crisis, the Commission has submitted to the Council a number of proposals designed to safeguard the position of the common market. At the Copenhagen Summit, it suggested a few ideas to the Heads of State and Government which, if they had been adopted, would have guarded against a number

Simonet

of mistakes which were in fact made from February 1974 onwards.

I understand Mr Van der Hek's concern, I share his indignation but please, if he is looking for someone to blame, he should look elsewhere than the Commission.

To answer the specific question he raised, I should add that if by any chance an allocation system was introduced which excluded France, the Commission would be forced to conclude that the Treaty had been infringed. And it is possible that in view of the French Government's negative attitude it would be held morally responsible. But in the light of the legal situation that has been created I must say here and now that it would be a breach of the Treaty. We must all try to ensure that this situation does not arise and at future Council meetings and perhaps even at the Summit, or more precisely at the next Council, we must make it quite clear whether we want to be a Community only when everything is going well or whether we are prepared to stick together even in times of crisis. *(Applause)*

President. — I call Mr Burgbacher.

Mr Burgbacher, rapporteur. — *(D)* Mr President, it is usual, I believe, for the rapporteur to have an opportunity at the end of the general debate to say a few final words. The general debate finished this morning at 1 p.m. when the House rose for lunch. In the meantime we have, as it were, seen a new film, one of very great importance and significance. I should like to refer back to what was said this morning.

I personally, and I hope the House will follow my example, do not want to conclude from the debate and the statement made by Mr Simonet that less should be done in the area of the energy policy. The event which Mr Simonet described and which impressed him so much that he really excelled himself in describing it, should be seen as an incentive for the House to give the Commission even more support than hitherto so that account is taken of the old theory applied in this House that we are allies and the Council is our 'opponent'. That is why the Vetrone report contributes to active support for the Commission in its dealings with the Council.

In the guidelines which the Commission forwarded to the Council on 11 June investments up to 1985 in alternative sources of energy are put at 180 000m to 200 000m u.a.

On page 3 it is said that investments in these new sources of energy must be protected, in

other words a policy should be established which encourages investment in the development of substitute energies and protects them in view of their contribution to security of supply.

Page 7 of these guidelines states that two procedures can be considered, a mutual insurance and economic system or the setting of a level of protection for the Community's energy market.

Mr Simonet, ladies and gentlemen, this is a question of the fate of our energy policy. Without some guaranteed form of protection for investments in substitute energies, no economy, no company and no citizen should or could raise the 180 000m to 200 000m. That is why the fate of the policy is at stake. In my report I unfortunately said—due to the force of circumstances—that the time is not ripe for the final solution. I believe, Mr Simonet, that we must both—Commission and Parliament—try to find a final solution to this immensely difficult and at the same time immensely important problem; otherwise a great deal of what we are planning to do will be in vain.

Allow me to look back to the past. I do not want to rub salt in old wounds, but we must not forget to learn the lesson which is almost bound to be there. While coal was cheap, the Community closed down every year mines producing about 200 million tons of hard coal. It is idle to speculate whether we would have had an oil crisis if this had not been the case, and what form it would have taken. It is also idle to speculate how we would stand today if we still had the 200 million tons. But one thing is important: we must not repeat the mistake. We must not fail to make 300 million tons out of the 250 million. If we fail to do this, the effect may be the same as the reduction in Community coal production through the closure of mines.

One year of the new oil prices has cost many times more than we would have had to pay to keep that coal. I would ask everyone to think on this so that similar mistakes may be avoided in the future. I also agreed that imported coal is important and that we must take it where we find it as long as it is cheaper than Community coal. I would point out that the sources of supply must be long-term and not short-term affairs. I would also point out that in my own personal view there will be a shortage of coal throughout the world. This will apply particularly to certain types of coal, which because there is a shortage of them, will be so expensive that they are no longer cheaper than indigenous coal. I would therefore warn against dependence on imported coal. It might fail when most needed.

Burgbacher

In conclusion, the Shah of Persia had a conference with the American president, Mr Ford, in May. At this conference he said among other things that the revenue from his oil had lost 35 % in purchasing power last year. He did not want to offset this loss at one go, but there should be no doubt that he would protect his interests. And then came the sentence which—with the permission of the President—I should like to quote. The Shah claimed that western complaints about increases in the price of oil were not logical: if prices were really too high, the West would already have developed alternative sources of energy, but there continued to be extremely little activity in this field. This sentence should be savoured if its importance for the future is to be realized: anyone who believes oil prices will drop is in my view living in a world of make-believe. Oil prices will not drop. That is my prediction.

I should like to close by saying that the age of low energy prices is over, but the energy crisis is not. That is why I appeal to the House to give the Commission in the form of well-founded and precisely worded decisions the support without which success is impossible, so that Mr Simonet need not report on new failures.

I should also like to thank Mr Simonet for his efforts and his opinion on the coal report. I likewise thank all those who have taken part in the discussion, particularly the members of the Socialist Group, whose proposal that it be referred to the Committee on Social Affairs and Employment was not adopted but who have nevertheless spoken in favour of the report; I am grateful for this comradely attitude.

(Applause)

President. — Does anyone else wish to speak?

The general debate on the Community energy policy is closed.

We shall now consider the motion for a resolution contained in Mr Burgbacher's report.

I put the preamble and paragraphs 1 and 2 to the vote.

The preamble and paragraphs 1 and 2 are adopted.

On paragraph 3 I have Amendment No 1 tabled by Lord Bessborough, Mr Normanton and Mr Osborn on behalf of the European Conservative Group and worded as follows:

Paragraph 3(a)

Add:

'and recognize the need for import safeguards during periods of temporary weakness in the market.'

I call Mr Osborn.

Mr Osborn. — We want to ensure that there are safeguards, as I outlined in my speech. I understand that the amendment is acceptable to the rapporteur.

President. — What is the rapporteur's position?

Mr Burgbacher, rapporteur. — (D) I advise the House to adopt this amendment.

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

Amendment No 1 is adopted.

I put paragraph 3, so modified, to the vote.

Paragraph 3, so modified, is adopted.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

On paragraph 5 I have Amendment No 2 tabled by Mr Corona, Mr Flämig, Mr Vandewiele, Mr Giraud, Mr Osborn, Mr Hougardy and Mr Ansart. It is worded as follows

Paragraph 5

This paragraph to read as follows:

'5. Considers that even if Member States find themselves obliged to recruit workers from third countries, job security must be guaranteed for all workers in the mining industry. Care must also be taken to ensure that workers from outside the Community are in no way discriminated against and that measures to assure job security and health protection in the mining industry are improved.'

I call Mr Flämig.

Mr Flämig. — (D) Mr President, I was able this morning to point out that apart from Mr Corona, Mr Vandewiele, Mr Giraud, Mr Osborn, Mr Hougardy and Mr Ansart had agreed on this—if I may put it this way—compromise, which reflects what has been said in the debate. We would like to see at least a mention of the social questions.

I therefore request the House to adopt Amendment No 2 and to delete the old paragraph 5.

President. — What is the rapporteur's position?

Mr Burgbacher, rapporteur. — (D) I advise the House to adopt the decision of a grand coalition.

(Laughter)

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

Amendment No 2 is adopted.

I put paragraph 6 to the vote.

Paragraph 6 is adopted.

Since no one else wishes to speak, I put the motion for a resolution as a whole, modified by the amendments adopted, to the vote.

The resolution, so amended, is adopted.¹

10. *Tabling of a motion for a resolution, decision on urgency and inclusion in the agenda*

President. — I have received a motion for a resolution tabled by Mr Blumenfeld, Mr Albers, Mr Berkhouwer, Mr Espersen, Mr Giraud, Mr Klepsch, Mr Laban, Mr Ney, Mr Noè, Mr Pètre, Mr Santer and Mr Schuijt on the latest act of terrorism against citizens of the State of Israel in Jerusalem.

This document has been printed and distributed as No 188/75. It has been requested that it be dealt with by urgent procedure pursuant to Rule 14 of the Rules of Procedure.

Are there any objections?

The adoption of urgent procedure is agreed.

I presume Parliament would wish to place this item on the agenda for this afternoon, after Mr Durand's report.

Are there any objections?

That is agreed.

11. *Third financial report on the EAGGF 1973*

President. — The next item is a debate on the report drawn up by Mr Durand on behalf of the Committee on Budgets on the Third Financial Report on the Agricultural Guidance and Guarantee Fund, year 1973, presented by the Commission of the European Communities to the Council and the European Parliament.

I call Mr Durand to present his report.

Mr Durand, rapporteur. — (F) Mr President, ladies and gentlemen, in February this year the Commission submitted to Parliament the third financial report on the European Agricultural Guidance and Guarantee Fund.

The Commission submits a financial report on the EAGGF to Parliament every year in the July following the financial year concerned.

Although the financial report was not presented to Parliament until February 1975, more than six months late, it seems that the Commission has considerably reduced the time it takes to submit its annual report, as the fourth report, relating to the financial year 1974, is promised for September this year.

This extremely comprehensive document, which contains a great deal of useful information on the financial aspects of the EAGGF's work, is always studied with a great deal of interest by the Committee on Budgets. It is this that the committee is trying to express in the first paragraph of the resolution submitted for your approval.

Strangely enough the report contains no information on a basic element of agricultural policy, the levies the Community charges on the imports of a number of products.

The Committee on Budgets is very anxious that Parliament should be aware of the problems involved in the control of the collection of levies which, as you know, are one of the main forms of own resources.

In the third paragraph of the resolution, the Committee on Budgets draws attention to the increasing gap between the exchange rates used in estimating income in the budget and the rates applied in converting the aid paid to farmers, expressed in units of account, into national currencies. This difference may be as much as 25% or more, which means that certain Member States are in a favourable position while others are at a disadvantage.

In the circumstances, it might well be considered advisable to apply the representative rates used in allocating aid to farmers to all the budgetary accounts. This would ensure that the conversion rates were as close as possible to the actual market rates.

Perhaps the Commission could use the same system as it does in the case of the ECSC, in which fixed exchange rates are laid down once or twice a year.

In 1973—the year to which the third report relates—the Community voted a supplementary budget of approximately 850m u.a. to cover unforeseen agricultural expenditure. This shows how difficult it is for the Commission to draw up budgetary estimates in June of the preceding year. To make its estimates more reliable, the Commission has proposed a system whereby appropriations provided for in the draft budget would be updated in the course of the budgetary procedure.

The Committee on Budgets finds this an interesting proposal but stresses that it should not

¹ OJ No C 178 of 6. 8. 1975.

Durand

be allowed to prevent the European Parliament from exercising its budgetary powers, in this case its power to propose modifications to the draft budget.

Another point that the committee thought should be made in the resolution is that the Commission regards the appropriations provided for under the guarantee section as a single unit on which it can draw without breaking them down into chapters, provided that at the end of the financial year transfers are made *a posteriori* between the different chapters of the guarantee section.

The Committee on Budgets thinks that this system gives the Commission too much freedom. The purpose for which the 4 thousand million u.a. in the EAGGF's guarantee section are earmarked should not be changed without at least notifying the European Parliament beforehand.

The committee is seeking an assurance from the Commission that in future it will make more effort to obtain Parliament's authorization on budgetary matters.

The closure of the accounts for the years 1967-8 to 1970 is a question that has already arisen in considering previous financial reports. In the report he recently presented to the European Parliament, Mr Gerlach pointed out that the delay in closing these accounts was making it impossible for Parliament to exercise the right conferred on it by the Treaty to give a discharge for the years since 1970, since there was a close link between the years preceding and following 1 January 1971 as regards revenue. For my part, I should like to emphasize that the closure of the financial years prior to 1971 also calls for a supplementary budget, which will have to be submitted to Parliament for its approval. Food aid is becoming a more and more important part of the Community budget but the regulations governing the financial conditions under which this aid is granted have been evolved in a somewhat empirical fashion. Recently it was agreed that this aid should be divided between two different budgetary headings: the 'refund' value of the goods under the guarantee section of the EAGGF and the actual payment under the heading of food aid. The Committee on Budgets does not consider that this policy was very expedient. I myself urged that the financial link thus established between agricultural policy and food aid should be gradually attenuated. The Committee on Budgets took the view that the link should be abolished completely, to stress the fact that food aid should not be offered simply because the Community has surplus agricultural products.

When I submitted my draft report to the Committee on Budgets, I had intended to discuss a question relating to the way in which the Council takes Parliament's budgetary powers into account in the legislation it adopts on structural policy in the agricultural sector. The committee felt, however, that the debate on the Third Financial Report was not a suitable occasion to raise this matter. As regards the guidance section of the EAGGF, the most I can do, on behalf of the Committee on Budgets, is to draw attention to a technical point which is of crucial importance to many farmers—the delay in paying out aid provided for under the guidance section of the EAGGF for individual projects. A considerable time elapses between the application for aid for an individual project and the time the aid is actually paid out. The Committee on Budgets felt that this point should be stressed and it urges the Commission to speed up its consideration of applications and the procedure for payment.

I have only one more point to make, not the least important however, since it relates to what I shall describe as the renewed outbreak of fraudulent and irregular practices committed against the EAGGF. When Parliament debated the Second Financial Report on the basis of a report by Mr Pêtre, it was pointed out that several regulations that Parliament had already approved had not yet been adopted by the Council. The regulations still pending related to mutual cooperation between Member States' governments with a view to recovering amounts improperly paid and ensuring the proper application of Community regulations.

The Committee on Budgets felt that the Council was largely responsible for this situation because it had not taken the necessary measures to prevent the recurrence of such irregular practices, which are financially and ethically prejudicial to the Community.

Mr President, I think I have mentioned all the points raised by the Committee on Budgets, though no doubt I have been over-lengthy. I have tried to confine myself to a few points in connection with budgetary and financial procedure.

The Committee on Agriculture has also drawn up an opinion in which it states its views in regard to the common agricultural policy.

(Applause)

IN THE CHAIR: MR CORONA

Vice-President

President. — I call Mr Liogier, draftsman of the opinion of the Committee on Agriculture.

Mr Liogier, draftsman of an opinion. — (F) Mr President, ladies and gentlemen, this is the third consecutive time that the Committee on Agriculture has been asked to deliver an opinion for the Committee on Budgets on an annual financial report on the EAGGF.

The document under consideration relates to the financial year 1973. There is no need to point out the usefulness of such a report, which describes the administration of the Fund, provides a record of expenditure and gives a general picture of the common agricultural policy.

However, it is obviously not up to the Committee on Agriculture, in this brief opinion, to consider the technical aspects of financing in detail nor to discuss the various statistics given in the report. It is merely required to note the main points and to draw the appropriate conclusions.

The report is divided into four parts dealing, respectively, with the Guarantee Section, food aid, the Guidance Section and verifications and irregularities.

Let us take the Guarantee Section first. This is the most important part of the EAGGF. The appropriations allocated to it represent three quarters of the total Community appropriations.

There were three important developments in 1973: the accession of the three new Member States, monetary fluctuations and the adoption of a supplementary budget by the Council.

These three developments increased the expenditure of the Guarantee Section: its endowment rose from 2 446 million u.a. in 1972 to 3 659 million u.a. in 1973, an increase of 50% in one year. The most substantial expenditure was on aid.

As far as 1973 is concerned there are two main comments to be made on the Guarantee Section. Refund and aid expenditure was highest in the dairy products sector: 1 458 million u.a., 13% more than the previous year. In view of these substantial amounts allocated to one single sector of production, consideration should perhaps be given to reviewing the common organization of the market for each sector, with a view to financing all Community producers on an equal basis. Indeed, the incomes of producers of fruit and vegetables, wine and meat are no more satisfactory than those of dairy farmers.

The system of monetary compensatory amounts, which was extended in 1973, is a further problem. On a number of occasions the European Parliament has called for the progressive abolition of these amounts, which have widened the gap between prices in the different Member States. They could perhaps be replaced by a

system of financial compensation for farmers who have suffered losses as a result of unilateral monetary operations.

The next section concerns the financial implementation of food aid by way of gifts of food products, mainly cereals, sugar and milk, to the developing countries. The appropriations available for 1973 amounted to 119 million u.a.

This part of the report is, in fact, purely descriptive. However, we are all aware of the problems involved in the financing and implementation of operations connected with food aid. The Commission, asked why it had not expressed any views on this, replied that it did not consider that the financial report on the EAGGF was an appropriate vehicle for a discussion of the financial problems arising from food aid.

As regards the Guidance Section, the appropriations available (325 million u.a. each year) are earmarked principally for the financing of common measures. As the expenditure on these measures in 1973 was small, the financing of individual projects constitutes the main activity of the Guidance Section. For 1973 the number of projects financed increased to 637, representing a total sum of 170 million u.a.

This part of the report calls for some comment. First, the building up of reserves—the Mansholt reserve—continued in 1973. The Committee on Agriculture must deplore this system, whereby substantial funds are immobilized, declining in value over the years as money depreciates.

Secondly, the Committee on Agriculture once again criticized the delays in accepting projects; the damaging consequences of these delays are well-known.

To remedy this situation, the committee has in the past suggested that, where applications for aid from the Guidance Section are concerned, the examination of projects should be decentralized at national level. The Community authorities reserve the right to issue general directives and supervise the use of the appropriations paid out.

Thirdly, the financial report draws attention to the fact that the appropriations for the Guidance Section are much smaller than those for the Guarantee Section. The EAGGF appropriations have been allocated largely to market support. Between 1965 and 1974 the amount allocated to the Guidance Section increased to 10.4% of all EAGGF commitments. It is to be hoped, however, that the current implementation of the 1972 socio-structural directives and the implementation of the directive on hill farming in the near future will enable the financial resources necessitated by a modern agricultural system to be allocated to structural reform.

Liogier

I now come to the final point: verifications and irregularities.

As regards verifications, fifteen of the projects were checked on the spot in 1973. This represents 5% of the projects completed. The lack of a comprehensive and regular control system is to be deplored and may ultimately be detrimental to the taxpayers' interests.

The Council adopted a regulation concerning irregularities and the recovery of sums wrongly paid on 7 February 1972. This regulation provides in particular for administrative enquiries, which have already been commenced. However, their practical effects have been limited. One reason for this, according to the Commission, was the inadequacy of the information provided by the Member States. There is thus an urgent need for greater cooperation between the Member States and the Commission in this area.

However, in the Guarantee Section 87 cases of fraud have been revealed: 41 in the cereals sector and 27 in the milk products sector. The amounts involved totalled 11.7 m u.a., of which 9.2 million have been recovered.

In the Guidance Section cases of fraud related mainly to the milk products sector.

In 1973, the Commission, realizing the seriousness of the problem, set up a special committee of enquiry which immediately began to investigate irregularities in the dairy products sector. The results of its work have recently been transmitted to Parliament and Mr Scott-Hopkins has drawn up a report on the subject.

Generally speaking, there can be no effective control until laws are passed to penalize fraud at Community level and a Court of Auditors is set up and invested with powers of compulsion.

In conclusion, we must welcome this annual financial report which gives a comprehensive picture of the activities and functioning of the Fund on the basis of the numerous Community provisions relating to it.

It would be desirable in the future for financial reports to be submitted in time to be used as a basis for assessment and additional reference when agricultural prices are being fixed.

The reports should also draw attention to the shortcomings of the various Member States as regards cooperation with the EAGGF.

This is all I want to say on the draft opinion that our committee was requested to prepare. In any case, you have copies of this opinion. I believe that it is a useful supplement to my brief speech. We have tried to take full account of the com-

ments put forward by our colleagues in committee. It also endorses the highly relevant observations Mr Durand makes in the main report on behalf of the Committee on Budgets. We must congratulate the rapporteur on the excellence of his report. Your Committee on Agriculture, which approved it by 11 votes with one abstention, therefore asks Parliament in its turn to approve the report that has been submitted to it.

(Applause)

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

Mr Pêtre. — *(F)* Mr President, ladies and gentlemen, as a member of the Committee on Budgets, I must say first of all that Mr Durand's report and the motion for a resolution it contains are a complete reflection of the committee's views.

Mr Durand explains in the introduction to his report that, pursuant to Regulation No 729/70, the Commission has to submit to the Council and Parliament, by 1 July every year, a financial report on the EAGGF, in particular on the state of its resources, the nature of its expenditure and the circumstances in which it was financed by the Community.

As the present financial report relates to the 1973 financial year and 1 July 1975 is already past, one may ask whether there is still any point in referring to this report, particularly in drawing up next year's budget. We agree with the rapporteur that this important financial report should be submitted to Parliament within the required time limit and that the delays should be made up in the future.

This is a point that I wished to emphasize, because in the debate on the First and Second Financial Reports on the EAGGF, in October 1974, on which I was appointed rapporteur, Mr Lardinois said that he intended to make up the delay and that he would ensure that the 1974 report was submitted at the end of 1975.

I regret that Mr Lardinois is not here; I should have encouraged him to keep his promise so that the same apology would not have to be made next year.

We do not intend to discuss the individual chapters of the financial report in detail nor to make any more comment than necessary on the report by the Committee on Budgets.

Although the report is mainly of a technical nature and also, unfortunately, extremely complex, we must welcome the useful information that it contains and its value as an analysis of the financial problems arising from the common

Pêtre

agricultural policy. We acknowledge this to the Commission.

The report by Mr Durand (whom I must also congratulate) shows that the Committee on Budgets has discussed all these problems and has concentrated in particular on agricultural levies, budgetary estimates and payments for individual projects, as well as irregularities and fraud, as Mr Liogier has pointed out.

On these matters, of whose importance we are all aware, I shall merely say that we endorse the comments the Committee on Budgets makes in its comprehensive and useful report.

Our group also supports the motion for a resolution without reservation, since it includes among its objectives the improvement of information on problems arising in the collection of agricultural levies, on the pattern of Community revenue and expenditure and budgetary control, together with a stricter observance of Parliament's budgetary powers.

I should like to add two brief comments of a political nature. These relate to the budgetary powers of Parliament and the chapter on irregular practice and fraud. I am picking out these two points in particular because they always recur in our debates on Parliament's resolutions when we discuss the financial reports on the EAGGF.

Once again, we believe, like the rapporteur, that the allocation of appropriations, including those for the Guidance Section of the EAGGF, is a budgetary act that is the responsibility of the budgetary authorities alone. It is therefore clear that the Commission's administration should take due account of the democratic principles of Parliamentary power and control.

The Commission must appreciate that Parliament cannot agree to the allocation of the annual appropriations for the EAGGF's Guidance Section and the breakdown of expenditure simply by means of a regulation without any reference to Parliament's budgetary procedure. I think that must be pointed out in this Assembly.

The Committee on Budgets also devotes a whole chapter of its report to irregular practices and fraud, noting that these practices are continuing despite the measures taken by the Commission.

As I said before, we have already warned the Commission on several occasions, in particular during the debate on the First and Second Financial Reports on the EAGGF. Mr Durand draws attention to this matter once again.

Certainly the Commission cannot be held responsible for this situation. It is up to the Member

States to control and deal with fraudulent practices, particularly in this field; this is stipulated in Regulation (EEC) No 729/70, which provides that the Member States should take the necessary steps to keep a check on transactions and ensure that there is no irregularity.

Nevertheless, Mr President, if irregular practices and fraud continue despite the measures the Council has taken, the Council and the Commission should demonstrate more concern and propose further measures with a view to changing the system of control, more radically this time, in order to make it speedier and more efficient in uncovering cases of fraud and dealing with them.

We hope that the Commission will pay attention to these comments, which we were anxious to put forward.

In conclusion, I have only to thank Mr Durand, on behalf of the Christian-Democratic Group, for the trouble he has taken in preparing such an excellent report. We shall vote in favour of the motion for a resolution.

(Applause)

President. — I call Mr Lange.

Mr Lange. — *(D)* Mr President, I should like to make one remark here in two capacities. Firstly, the Socialist Group approves the report and in particular the motion for a resolution tabled by Mr Durand.

Secondly, I should like to add to what Mr Durand has said in his report, which he explained during his oral presentation, and to what Mr Pêtre has said about the powers of Parliament. I want to say that the Committee on Budgets will have to draw the logical conclusions from this financial report when discussing the budget for 1976. There is therefore little point in looking in this context at all the possible political and legal questions; we must instead demand when the 1976 budget is being drawn up that appropriate precautions be taken to ensure that the EAGGF funds are put to proper use. This will of course mean urging the Council—it is the Commission's job if it discovers legal loopholes to help close them by forwarding appropriate proposals to the Council—to limit the opportunity for irregularities and to strengthen the controls that necessarily contribute to the prevention of such irregularities. I should therefore like to draw the attention of the House to this point in particular. Even though Mr Liogier is a little sceptical about the question of separating food aid from the EAGGF, I should like to stress above all that this appeared extremely important to the Committee

Lange

on Budgets because food aid really has nothing at all to do with agricultural financing. This question, too, must at all costs be discussed when the 1976 budget is being dealt with. The Committee on Budgets—and I hope Parliament, too—will be able to put forward appropriate proposals.

That, Mr President, was all I wanted to add.
(*Applause*)

President. — I call Mr Simonet.

Mr Simonet, Vice-President of the Commission. — (F) Mr President, I find myself in rather an embarrassing situation and I must plead extenuating circumstances in asking Parliament's indulgence.

I am going to relate a short anecdote to illustrate the allowances I wish Parliament to make.

Some years ago an English admiral, renowned for his strategic skill and his success in every battle he had fought, was about to retire. A small party had been arranged and all the younger officers were clustered round him hoping to discover the secret of his success and the attributes that had helped him to win so many victories.

With an air of mystery he led them to his bedroom and there he opened a small cupboard and showed them a sign pinned to the door. This, he said, was the secret. The notice read: 'Port is left, starboard is right'.

I certainly do not have the same reputation as this admiral had with his junior officers, but also I have not even acquired as much knowledge as he did in fifteen years of experience. After two-and-a-half years with the Commission, I still do not know what is the difference between the Guidance and Guarantee Sections of the EAGGF.

(*Laughter*)

I must therefore ask for your forbearance when I reply to the comments of the previous speakers.

As far as the first point is concerned, the relevant departments have completed the report on the 1974 financial year and it will be submitted to the Council for approval very shortly. Thus the European Parliament should receive it in September, before the budgetary debate, for the first time.

As to the second point the Commission will shortly be forwarding to the Council and the European Parliament the first report on the functioning of the own resources system and the control of these resources; this report has

been prepared by the Directorate-General for Budgets. The report should make it easier for the European Parliament to fulfil its responsibilities in this area.

The Commission also deplores the fact that there are substantial differences between the exchange rates applied in estimating income in the Community budget and the representative rates used in the agricultural sector and believes that the introduction of a unit of account based on Community currencies to be used in drawing up the budget should reduce this gap as a matter of course.

The Commission appreciates the recommendation, in paragraph 4 of the motion for a resolution, that it should be given enough room for manoeuvre in the difficult area of budgetary estimates. This is indeed a very important question, which has been a matter of concern to the Commission, and in particular Mr Lardinois, for some time now.

Since valuable information on harvests can be gained in August and September, the Commission would like the timetable for appropriations in the Guarantee Section to be adjusted in order to make the estimates as up to date as possible. Of course it believes that this change in the procedure should take account of the European Parliament's rights.

Paragraph 5 in the resolution invites the Commission to inform Parliament of all transfers of appropriations at the same time as it submits its requests for transfers to the Council and in any case before the transferred appropriations are used. The Commission's answer is that in view of changing economic circumstances transfers of appropriations in the Guarantee Section are often considerable. In 1974, for example, 544 m u.a. were transferred. The Commission undertakes to inform Parliament of these requests for transfers to the Council in cases where it has not formerly done so.

As regards the sixth paragraph, which refers to the closure of the accounts for the 1967-68 to 1970 periods, the Commission can assure you that the work is progressing satisfactorily and the conclusions should be submitted to the budgetary authority in 1976.

Finally, paragraph 7 of your resolution recommends that the Commission abolish the financial links between the common agricultural policy and food aid. A new system, approved by the European Parliament, came into operation on 1 January 1975, grouping all food aid expenditure under the single heading 'food aid'. Only the sum representing the refund will in future be financed by the Guarantee Section. If this

Simonet

amount was also included under the heading of food aid, expenditure normally payable under the common agricultural policy would fall within the province of the aid policy.

The Commission has taken the following steps in regard to the point raised in paragraph 8. First, the delays in giving decisions on aid have gradually been reduced from 10 to 6 months. Secondly, projects and estimates now allow for a cost increase of 5% per year. Thirdly, payments are made approximately two months after the supporting documents are received. We should add that in the first place national administrative procedures are sometimes lengthy and delay the submission of applications or supporting documents, and secondly some of the aid recipients themselves take an excessively long time in carrying out their projects. Thus, if the financing of projects is to operate satisfactorily in the future it will call for a more energetic approach from the recipients and a greater determination from national governments and the Commission departments to deal rapidly with applications.

Finally, you state in your resolution that the Council is particularly responsible for the new wave of irregularities at the expense of Community finances, because it has not taken the necessary preventive measures.

I assume that you are referring to the fact that the Commission has submitted two proposals to the Council; one, on mutual cooperation between Member States and between the Member States and the Commission to ensure the proper application of the Community's agricultural and customs regulations, was submitted in April 1973.

The other, relating to mutual cooperation to recover amounts improperly paid under the common agricultural policy, was submitted in December 1972.

No text has yet been adopted by the Council, despite the Commission's repeated approaches.

The second proposal, however—concerning mutual cooperation to recover sums improperly paid—is currently being examined by a group of experts, and we hope they will complete their examination in a very short time.

(Applause)

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I congratulate Commissioner Simonet on dealing with the difficulties and problems of the Guidance and Guarantee Sections. He dealt with them as though he had been doing it for years.

But it would have been a little more satisfactory if we had been able to transfer the debate on the report to Thursday, when we are now taking the wine report, and when the Commissioner concerned, Mr Lardinois, would have been available. It is too late to do anything about it, but this illustrates how important it is to try to group the subjects and not take them separately, as we are doing this time. Much as we like to hear Mr Simonet, with his usual charm and efficiency, it is not quite the same as being able to interrogate the Commissioner directly responsible and obtain answers from him, although we understand that it is a collegiate system.

Mr Simonet said that the final closure of the accounts for 1967 to 1970 was going well but that they were not yet closed. It is an incredibly long time, and the Commission cannot simply say that it is going well. It must get on with it and do the job quickly, because it is a nonsensical situation. The accounts should be closed.

Mr Simonet did not mention the fraud investigation which is going on. He will see a reference to it in the report of Mr Liogier. A special committee of investigation has been set up. The Commission has given it powers to investigate the possibilities of fraud, particularly in the meat and wine sector.

It is extraordinary that Parliament should be debating in July 1975 the accounts of the EAGGF Guarantee and Guidance Sections for 1973. I hope that the Commissioner and his colleagues will bring such work forward a little nearer to the time when the events are taking place. The matter is now all old hat. The last payment was eighteen months ago. The whole debate is pointless, as that was such a long time ago, and other events have happened since. We have had the stocktaking and other reports. I am glad to see that the chairman of the Committee on Budgets, Mr Lange, agrees with me.

The debate is a waste of time unless we can have it nearer the events. I suggest that eight months from the closing of the account is the latest time when we in this House should be dealing with such a matter — in other words, the end of the summer or the beginning of the autumn of the year following the closing of the accounts. That is what we need if the debate is to make sense.

(Applause)

President. — I call Mr Cifarelli.

Mr Cifarelli. — *(I)* Mr President, I refer to what Vice-President Simonet has said (in reference to paragraph 8 of the motion for a resolution)

Cifarelli

concerning the utilization of funds from the Guidance Section. He emphasized the existence of two difficulties: one, the lengthy procedures for considering individual projects submitted by the various agricultural organizations to the national authorities; the other, the excessive period—if I am not mistaken, about 6 months—which the Community authorities in Brussels take to examine such schemes.

I should like to ask Mr Simonet—since I consider he is convinced of the importance of the programme, even though he does not have the same specific responsibility for it as Commissioner Lardinois—whether the Commission does not feel that it should make an effort to clarify this matter, so that the national authorities can reduce these examinations to as short a time as possible. Another reason for my making this point is that a great deal of time is lost in identifying which of the various projects falls under which *tranche* of available EAGGF funds.

To sum up, what I have said—and it was meant as an appeal, an invitation to action—concerns the following two points: in the first place that it would be opportune for the Commission to press for a more rapid consideration of these schemes by the individual national authorities and, in particular, those with specific responsibilities; in the second place, the possibility of speeding up the examination procedure at the Commission itself, since as I see it the time involved at present is far too long given the effects of inflation and, as a result, rising costs which then make the projects too expensive.

President. — I call Mr Dalyell.

Mr Dalyell. — I wish to ask an innocent question about something that is baffling some of my colleagues and of which there have been two instances today. Although it was in no way his fault, the Commissioner was late in arriving this morning. I gather there was no possibility of avoiding that. Now he has to stand in for Mr Lardinois. He does it superbly confidently. However, some of us are baffled in such circumstances as to why Parliament has to meet here in Strasbourg rather than in Brussels where the Commission is.

I would like to ask the Commissioner the following question. If we are to be serious as a scrutinizing Parliament, do we not have to make up our minds about this sooner or later — rather than having all those boxes moving backwards and forwards between here, Luxembourg and Brussels — and do we not have to face up to the fact that Parliament should be where the Commission is, in Brussels?

I wish to ask Mr Simonet what he thinks about the loss of Commissioners' time, and that of very skilled and busy people who must come to support the Commissioner, caused by travelling between Luxembourg, Strasbourg and Brussels.

That is a question that can be allowed only to an innocent newcomer.

(Applause)

President. — Mr Dalyell, the question you have raised is not on today's agenda, although, from the applause you have received, it appears to concern the whole European Parliament. I do not know whether Vice-President Simonet wishes to reply to it at this moment. However, I must also ask Mr Scott-Hopkins whether he is putting forward a formal proposal that the vote on the motion for a resolution should be postponed, as I seem to have understood from his statement.

Since Mr Scott-Hopkins is not making such a request and since no one else has asked to speak, I put the motion for a resolution to the vote.

The resolution is adopted.¹

12. Act of terrorism in Jerusalem

President. — The next item is consideration of the motion for a resolution tabled by Mr Blumenfeld, Mr Albers, Mr Berkhouwer, Mr Espersen, Mr Giraud, Mr Klepsch, Mr Laban, Mr Ney, Mr Noè, Mr Pètre, Mr Santer and Mr Schuijt, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on the latest act of terrorism against citizens of the State of Israel in Jerusalem (Doc. 188/75).

I call Mr Blumenfeld.

Mr Blumenfeld. — (D) Mr President, I should like to begin my statement, which I am making on behalf of quite a number of Members, with an apology to all those Members and also a number of political groups whom I was not able to contact this morning to ask them to sign this motion. The reasons for this were purely procedural, and it was also the reason why, to some extent at least, so few Members were present in the Chamber this morning. I make a point of saying this since otherwise the impression might arise that only a few Members are interested in this question.

Mr President, the House has discussed the Euro-Arab dialogue on several occasions. The Com-

¹ OJ No C 179 of 6. 8. 1975.

Blumenfeld

mission, Council of Ministers and the Political Affairs Committee have also discussed it. As rapporteur for the Political Affairs Committee I am particularly involved in this Euro-Arab dialogue, and this has led us to table this motion today.

What we want to make clear is that there is a limit for this European Parliament to what we are prepared to accept. This particularly concerns those who on our behalf negotiate not only on extremely important matters and the establishment of economic relations with the Middle East and the Arab states, but also on questions connected with peace in this world.

Mr President, like other Members of this House I have made it clear in the past that in our view the Arab side sees the Euro-Arab dialogue principally as a political dialogue, whereas the Community has so far restricted itself to saying that it intends to negotiate on specific questions connected with the economy, finance, culture and the technical, technological and other specialized fields that are of joint interest to us and the Arab countries in this sphere.

The PLO is, of course, an organization which is not easy to define, since it is not a single entity, but consists of a number of organizations with different attitudes and different names. But it does have a spokesman on external policy. At the beginning of this month this spokesman made a statement which this House should note and which led directly to our motion. Mr President, I should like to quote a report received from the press agencies in Cairo. The heading reads: 'The object of the Euro-Arab dialogue.' The text reads: 'The head of the Political Department of the PLO, Mr Farouk Kadoumi, summarized the essential points of Palestinian activity in a statement which appeared on Monday in the newspaper *Palestine Al Saoura*. In particular he described the object of the Euro-Arab dialogue as being to widen the gap between Europe and the United States.'

I find it remarkable that the PLO's spokesman on external policy should officially give as one of the objectives of this dialogue the attempt the cause a rift between us Europeans and the United States.

However, Mr President, when we now hear that last weekend in Israel, in Jerusalem, an act of terrorism took place which cost the lives of many innocent people—civilians, women and children—and injured, according to newspaper reports, well over 80 people, we in this Parliament cannot remain unmoved, especially when we also hear from an official source that the PLO accepts responsibility for this act of terror-

ism. I have here a report dated 4 July from Wafa, the official PLO agency, which states:

'The Palestinian Revolutionary Movement is responsible for the heroic action taken today in the centre of Jerusalem.'

Mr President, after a great deal of hesitation we agreed to accept representatives of the PLO as experts in the delegation of the Arab League for the Euro-Arab dialogue, but even then quite a number of us were reluctant to do so. We nevertheless agreed because we felt and feel it is important not only for the Euro-Arab dialogue to begin, but also for us to have an opportunity to bring influence to bear in personal contacts in an effort to achieve peace in the Middle East once and for all.

The European Community is not and does not set out to be a super-power. Nor does the European Community pursue an external policy or a policy for securing peace by means of an armaments policy, for example. I believe that the European Community has for years derived its strength from the fact that it sets about solving political questions by the application of principles of high moral quality. But at the same time the European Community, this union of free European peoples, is willing to make available to those concerned what it has to offer the rest of the world economically, financially and with regard to cultural exchanges.

I believe the most important thing is that at a time when we are in the process not only of developing satisfactory and neighbourly relations with all the countries and peoples of the Middle East, but also of expanding and strengthening them, that is with Israel and the Arab States—and beginning the Euro-Arab dialogue serves this purpose—we are bound to point out that it is not reasonable for us to talk with representatives of an organization which officially regards terror and violence as means of solving its political problems. If, however, an organization like the PLO, which had shown restraint in questions of policy and the use of force since last autumn when its head, Arafat, appeared before the United Nations in New York and made a major speech, now officially accepts responsibility through its agency for so terrible a crime as the one committed last weekend—it was not the only one, but one of the most horrific—then it is time for us to call on our delegation, which consists of representatives of the Commission and Council of Ministers, to make it quite clear politically and morally at the next meeting of the delegations on 21 July in Rome that we are not prepared to continue negotiating with representatives of an organization that regards the use of force and acts of terrorism as political means.

Blumenfeld

Mr President, I feel it would be a good thing for us to take sides and not pretend that all this has nothing to do with us. We should know and reflect and remember from history that if a policy and principles are forcibly and courageously pronounced early enough, even an opponent, even one who has hitherto walked the world like a blind man, can be convinced. I hope that this can be achieved with this motion for a resolution, which I trust will be adopted. *(Applause)*

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

Mr Kirk. — The particular act of terrorism to which my friend, Mr Blumenfeld, referred is one of such unpleasantness that there can be absolutely no justification for it whatsoever. To place a bomb in a crowded square at a time when it must have been known that not only would Israeli but other citizens be there—citizens of all ages, men, women and children—implies a nastiness which I am sure demands the condemnation of all civilized people.

Certainly the quotation which Mr Blumenfeld read from the official agency of the Palestine Liberation Organization, referring to this as an act of heroism, is a distortion of the facts which makes one feel almost sick. This was not heroic; it was cowardly in the extreme and it is right that it should be recognized as that.

Having said that, and being one who, throughout my entire political career, has supported the Zionist cause to the full, I must, I fear, express certain reservations about the resolution that is before us. In the principle behind it, I, and, indeed, the European Conservative Group, fully concur. In the timing, perhaps fortuitously, for many members of my group it will be difficult to condemn one specific act of terrorism, particularly at a moment when the Israeli Government themselves have just given a state funeral to two terrorists who murdered in cold blood a British minister and his chauffeur—a totally innocent soldier—some 30 years ago.

Perhaps they are entitled to regard them as heroes, in the same way that the Palestine Liberation Organization appears to regard the cowards who perpetrated this latest crime as heroes, but it is difficult for my country—I cannot speak for my government, who have made formal representations about this matter to the Israeli Government—to accept that there is anything but a difference in degree between the two crimes, even though they may be separated by 30 years of history.

Terrorism is something which we must condemn, regardless of where it takes place. I have

certainly no objection to this House condemning this specific and peculiarly unpleasant act of terrorism, but I think that it would be a mistake for us to try to make a distinction between acts of terrorism according to which side they come from. All acts of terrorism should be condemned, and if the resolution did that, my group would have no difficulty in supporting it. I accept Mr Blumenfeld's explanation that he had difficulty in getting in touch with certain members of certain groups in order to discuss the resolution. Had he been able to do so, it might have been easier for us to have found a form of words which would not have created the problem produced by the present wording.

There are two points on which I have considerable reservations, both on behalf of my group and as a British Member of this Parliament. The first arises from paragraph 1 which

'Draws attention to the grave threat to world peace arising from continued terrorist activities on the part of the PLO.'

But it is not merely from the activities of the PLO that the grave threat to world peace arises. It arises also from other terrorist organizations, some of them even closer to home than the PLO. If the reference to the PLO were omitted from paragraph 1, I think that it would command universal support in the House. Its presence in the resolution creates certain problems. Perhaps you might find it possible, Mr President, to accept a manuscript amendment.

But the problem created by paragraph 3 is even greater. It calls on the Council and the Commission to denounce those responsible for the outrage in Jerusalem, and I entirely agree with that, but goes on to say that the European-Arab dialogue should be pursued.

'... only when guarantees have been given that representatives of the PLO will renounce the use of force and terrorism.'

If that were carried, the practical effect would be to bring the dialogue to an end here and now. Such guarantees will never be forthcoming. If we meant what we said by adopting that part of the resolution, it would mean that we were prepared to jeopardize what has been one of the most fruitful initiatives that the Community has taken. The Arab Governments cannot control the extremist groups which operate on the fringes of society in the Middle East. Paragraph 3 does not take a realistic stance at all. For that reason, I would find it impossible to vote for it.

I cannot bring myself and I cannot advise my friends to vote against this resolution. That would appear to be condoning terrorist activities

Kirk

which we, along with every other Member, condemn. Unfortunately, it is not possible for me to advise my friends to vote for the resolution in its present form. As I think that an abstention might be regarded as wrong also, I would advise my friends that we should not take part in this vote, and so that we will not be misunderstood in any way I have put my views and the views of my group. I end by repeating that we unequivocally support the condemnation of the act of terrorism which took place in Jerusalem last weekend.

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

Mr Berkhouwer. — (NL) Mr President, speaking here on behalf of my group, I should like to start by saying that in general I am not too far from what the previous speaker has stated, namely that our disapproval should not apply to certain groups of terrorists exclusively.

I do not consider it necessary to go back into history now. My country did not, like Mr Kirk's, have responsibilities in Palestine. Nor shall I draw any comparisons with a similar act of terrorism by Jews 30 years ago. Among the Jewish people the Old Testament law of an eye for an eye and a tooth for a tooth still holds in part.

The people of Israel are at the moment in a special situation and cannot allow certain acts of terrorism to go unavenged.

Mr President, I can also support the other parts of what the previous speaker said. I think, however, that we must set this matter in a broader context.

Mr Blumenfeld concentrated in what he said on a particular heinous act of terror by the PLO. But in Europe and at the gates of Europe, western civilization, whatever that is, is being undermined by all sorts of acts of terror, of aggression, of felony and of international criminality, even against innocent people, and I always find that cowardly.

I can well understand people coming out and fighting openly for a particular cause.

What we find is, though, that everywhere, certain political campaigns are accompanied by terror and aggression against innocent people, who have nothing to do with the conflict to which a settlement is being sought by means of that terror. Terror is taking place right now, right here in Europe.

Tomorrow we are to speak here on political union and on charters of our citizens' rights.

Has the time not come for us in this Parliament to think about the protection of the people living in this Community and at the gates of our Community?

Mr President, I would mention Munich, The Hague, Paris (the terrorist Carlos). In short, everywhere in the Community, there is frightful terror, so that people cannot live in security. That is the case inside our Community and at the gates of our Community, where it concerns Israel. We do not want to identify with one of the parties to the conflict. In this connection, I would cite a Spanish thinker, whose free attitude of mind is above all suspicion, namely Ortega y Gasset, who once said, 'Europa es un equilibrio'. What we in fact need is an internal balance in Europe.

Our Community, with all its faults, wants to help towards the achievement of a balanced situation around the Mediterranean and in the Far East. I would point to the situation that has arisen in that latter area, after all that has happened there. I am thinking of our contacts with the ASEAN countries and with areas in other parts of the world. What we want is dialogue. We want negotiations, but we do not want political will imposed on us through terrorist acts.

What we wanted to do here was of course to condemn a specific act of terrorism. I wished to join in the condemnation, against the background I have sketched out. In my opinion, we ought not to be talking about all sorts of charters in the time to come. We have a superfluity of them, what with the United Nations, the Council of Europe and so forth. What causes concern to me and my political friends is the wave of terror that is washing over our western society and the countries at the gates of our western society. It is from that position that we condemn this revolting terrorist act. If in one way or another representatives of the so-called PLO are to sit down at the negotiating table, then I would say that one cannot sit down at a table to negotiate and at the same time be shooting at each other across the table. That is the spirit in which my political friends and I give our full hearted support to the motion for a resolution tabled by Mr Blumenfeld, Mr Albers and others.

President. — I call Mr Cifarelli.

Mr Cifarelli. — (I) Mr President, I have asked to speak on my own behalf to say above all to Mr Blumenfeld that, had I been asked to sign the motion for a resolution when it was tabled, I would have done so both out of personal conviction and also because the text of

Cifarelli

the resolution seems to me entirely well-founded.

In my view we should not do what the judge did when, forced to pass judgment on a murderer, he began by saying "They murdered Jesus Christ: how then can I sentence the murderer before me now?" In refusing to take a stand the judge was denying the law and morality.

Unfortunately we cannot say that this is the only act of terrorism and violence; we have examples of violence in no way less serious than this in my own country. Even if the perpetrators of some of these crimes have not yet been identified (at least with the certainty of the law), that does not alter the fact that they remain murderers and should be prosecuted and punished as such. Nor should we not condemn a racial demonstration on the basis that in the past racism was rampant, as we have seen in Europe and the rest of the world.

To this first point I should like to add a second: the motion for a resolution warns against the grave dangers threatening world peace. I certainly cannot presume to give advice to the Foreign Minister or Prime Minister of Israel but, if I could, I would tell them to try to reach an agreement in the face of a situation which perhaps, provoked by oil blackmail and not only that, could one day become the cause of a much more serious diplomatic and political isolation for Israel. Indeed, UNESCO yesterday and the WHO today have condemned Israel to isolationism, thus flouting the integrity and elementary norms of international life. Similar acts of iniquitous terrorism are undoubtedly preventing Israel from following the path to peace.

All this reminds me of what happened when the government of the French Republic and the provisional government of the Algerian rebels were trying to reach an agreement at the famous Evian talks. Well, just then there were extremely serious outbreaks of violence and the French Government, represented by a man of such political stature as General de Gaulle, found itself in great difficulties because of these demonstrations.

To say therefore that this is a matter which endangers peace, at a time when great efforts are being made to preserve this peace, is entirely accurate.

As regards paragraph 2 of the resolution, I am sure that we are all united in condemning any kind of recourse to violence. And this is all the more important to the extent that we represent the expression of public opinion of civilized

Europe—and by civilized I mean free, because he who is not free is not civilized.

The leading article in the last number of *L'Express*, the French weekly edited by Jean-Jacques Servan-Schreiber, speaks of a 'terrorist international' of political assassins, which includes Japanese, Turks, Germans and various other nationalities.

Thus to say, in reference to a serious incident, that we condemn all recourse to violence seems to me pertinent, morally wellfounded, politically justified and historically valid.

Finally, as regards paragraph 3, we who are against any recourse to violence certainly do not want to take retaliatory measures. Still, I think that this is the right moment to say to those who appear before the UN General Assembly with a pistol in their belt that Europe expects all the participants in the European-Arab dialogue—not only the legitimately constituted Arab States but also Palestine, which is justly striving to become a legitimate political entity—to realize that progress can no longer be made in this manner.

There is a time for violence and a time for negotiations, but it is not possible to have both at the same time. This too is something which I could demonstrate by historical examples, but I shall not waste your time by doing so. I want only to say that, as far as I am concerned, I support this resolution and am prepared to vote for it.

President. — I call Mr Espersen.

Mr Espersen. — (DK) Mr President, let me first of all say that as the Socialist Group did not have time to discuss this resolution, I am now speaking on my own behalf.

I have asked to speak because of Mr Kirk's speech, which I quite understand. This is in fact a resolution which is based on a very serious incident but which, as Mr Kirk rightly pointed out, can have very serious consequences if it is adopted. Nevertheless I felt I was right in helping to draft it, and I would like to explain why.

What we are doing is dissociating ourselves from acts of terrorism as, clearly, every parliament must do. We are dissociating ourselves from violence; not from every form of violence since violence can be necessary for self-defence, but from violence used to settle political disputes. Violence is forbidden under the UN Charter and we dissociate ourselves from it. I think that is something we can all agree about.

Espersen

It is also clear—and Mr Kirk was right in what he said about the timing—that now, in this special situation, there is a very grave danger that serious acts of violence are committed on the Arab side. It is difficult to negotiate peaceful and lasting political solutions with a partner whose delegation includes representatives who are waging war on a country with which we have friendly relations.

The PLO has assumed responsibility. We know that the PLO does not always have control over the different organizations that commit acts of violence, but if the PLO can assume responsibility and describe those acts as heroic, the PLO must also be able to say that it condemns terrorism and violence.

Clearly, as Mr Kirk has said, acts of violence and terrorism must be condemned no matter where they take place.

There have also been incidents from the Israeli side that could be called violence or terrorism. I am thinking of an incident some years ago when a civil aircraft was shot down.

I obviously support this resolution because similar acts committed by the other side would also be condemned by this House.

If I nevertheless support one-sided condemnation in this instance it is because, as Mr Cifarelli said, we are conducting negotiations and we cannot both negotiate and commit acts of violence. It is also because we must sometime or other commit ourselves and we cannot commit ourselves by merely condemning acts of terrorism in general. If we condemn acts of terrorism regardless of who commits them then our condemnation is worth nothing. It is precisely in this situation when the European Communities are negotiating with the Arab countries that we must insist that our negotiating partners oppose and condemn outright acts of violence and terrorism. If not, it will be impossible to negotiate. I should however like to point out that I would also support the resolution if, in this tense situation, acts of violence and terrorism were committed by the other side.

I would consider it unfortunate if the House was divided on this question. As I said, it has not been possible for all the groups to discuss the text. I think it would be natural to vote not today but tomorrow so that the groups could have a chance to meet.

President. — I call Mr Fellermaier, to speak on a point of order.

Mr Fellermaier. — (D) Mr President, ladies and gentlemen, this debate has been conducted

in an atmosphere of great seriousness, and the arguments which have been advanced by the speakers have led the House to think—but not about the condemnation of terrorism. We are surely all agreed that we condemn as abhorrent and nauseating any act of terrorism in the world, regardless of where and when it may happen and by whom it is perpetrated. But I also say quite frankly that weighty arguments have been introduced into the debate by Mr Kirk, even though the political groups were not able to form an opinion on the text. I feel that this House would be well advised to try and agree on a balanced text that is acceptable to the House as a whole.

For this reason, Mr President, I request that the motion for a resolution be referred to the political groups so that discussions may take place among them on the wording of the text and it can then be signed by all the groups if possible. A new motion for a resolution would then be put to the vote tomorrow or the day after tomorrow. I am quite sure that this is fair both to those who have with good reason introduced the motion and to those who support it, but would like to see the text amended. The question is to find a compromise supported by an acceptable majority, so that this House may prove that in a situation of this kind a formula can be found that every Member approves.

(Applause)

President. — As Parliament has heard, we must decide, under the provisions of Rule 32, whether to adjourn this debate or to continue and deal with it tonight.

I call Mr Spicer.

Mr Spicer. — In the circumstances, I willingly give way to Mr Fellermaier's motion.

President. — I call Mr Covelli.

Mr Covelli. — (I) My impression, Mr President, for what it is worth, has been one of some perplexity as regards the arguments which I have heard on what I consider to be one of the most important resolutions ever to come before this House.

I do not think the opinions expressed by the representatives of certain political groups were very clear. They hedged all their basic agreement in principle with ifs and buts without ever getting to the heart of the matter. Now, at a time when it is being stressed that peace is at risk in a certain part of the world and a contemptible outrage is perpetrated in Jerusalem, this Parliament is about to reject a

Covelli

declaration of principle which, taking this criminal event as its starting point, applies to all acts of violence. I certainly do not think that we should hesitate in this way, Mr President.

Let me get to the point. The ifs and buts refer to the PLO—Mr President, you know very well that in our own countries acts of terrorism result either in those responsible being outlawed or sent to prison. Now the PLO have declared themselves responsible for this obnoxious deed and the fact that the Community can sit at the same table and talk to those who have declared themselves the perpetrators of such an outrage does justice, in my opinion, neither to the European Parliament nor to the cause of peace. I therefore believe that the principle of condemning all violence as it is clearly expressed in paragraph 3 is one about which there can be no reservations.

That objections may then be made to an event, unfortunately criminal, which took place 30 years ago, in no way affects the need for this House to express its condemnation without ambiguity.

I would say in conclusion that it is my modest opinion, and that of my colleagues in my party, that we should fully support Mr Blumenfeld's resolution and, if we vote on it this evening, I shall certainly not need to take issue with the wording because the principle and substance of this resolution are fully respected.

President. — I call Mr Blumenfeld.

Mr Blumenfeld. — (D) Mr President, with reference to the Rules of Procedure I did not understand Mr Fellermaier to say that he was requesting the adjournment of the debate under Rule 32 of the Rules of Procedure, but that he was requesting the adjournment of the vote. That is a different matter. We were in the middle of the debate, Mr President, and I should like to point out, since you have just referred to Rule 32, that this does not concern an adjournment of a debate within the meaning of Rule 32(1) (d). Mr Fellermaier has just nodded in agreement; I am therefore in agreement with the Member requesting the adjournment of the vote, Mr President, and would therefore ask to be given the floor to support what Mr Fellermaier has said, but with one reservation.

I am of course impressed by what my friend Mr Kirk has said. I cannot unfortunately speak for the other Members who signed this motion this morning—in great haste, I would add, because we did not have the time to wait until everything had been translated; it had to be

done very quickly. The group chairmen were all at a very important meeting, and I could not of course disturb them. So although the group chairmen were informed, they were not asked. I should not like to see this motion, which comes from the centre of the House, changed into a motion for a resolution tabled by political groups, but I am always prepared to agree to a request whose aim it is to allow this House in its entirety to adopt a motion for a resolution of this importance and this weight.

That was I am sure, the purpose of Mr Fellermaier's request, and I do not therefore oppose it, but agree on condition, Mr President, that tomorrow or at the latest the day after tomorrow discussions among the political groups or among individuals, particularly those who find themselves in a somewhat difficult position, lead to the drawing up of an appropriate text which is acceptable to all Members of this House, regardless of the political groups to which they belong.

In this connection, I should like to mention briefly three points following what Mr Kirk has said here in explanation of his attitude.

Firstly, Mr President, with regard to paragraph 1, which is causing Mr Kirk some difficulty, all I can say is that world peace is in fact threatened by activity in the Middle East to a far greater extent than by acts of terrorism elsewhere in the world, simply because it is the PLO's policy to prevent the Egyptian, Syrian and Lebanese Governments from moving towards peace with Israel. The object of the acts of terrorism perpetrated there is to provoke those concerned and put an end to any such moves; hence the threat to world peace, since revenge is then of course taken, as a number of other speakers have rightly said.

Secondly, with regard to paragraph 3, here again I am prepared to try and find a way of slightly amending the text to allow Mr Pêtre, Mr Kirk and other Members of this House to vote in favour. But I would not be prepared to say that we should withdraw where paragraph 3 is concerned to such an extent that in fact representatives of the PLO may continue to take part in the negotiations and at the same time commit acts of violence.

That is impossible, and we must make that clear. If as a result the Euro-Arab dialogue, Mr Kirk, has to be suspended for a time because the other side must decide what it is to do, it may be better for peace than continuing to negotiate. It took quite some time for the dialogue to begin, and the delay was caused by the question of the participation of PLO repre-

Blumenfeld

sentatives. I feel that the fundamental concern of the majority of the Members of the House must not be watered down by a modification of the text.

The main thing is that we say that we want not only a general condemnation of terrorism. We have been calling for that for many years in this House, in the Council of Europe, in other international bodies and in our national parliaments. And what has happened? Basically, very little. What we are dealing with here are specific tasks which we have taken on with the beginning of the Euro-Arab dialogue as the European Community, as Europeans in relationship to the Arab nations and the Middle East, a dialogue which we take very seriously and which we hope will be successful. But we have certain principles to safeguard.

I am quite prepared to do as Mr Fellermaier has requested and make some amendment to paragraph 1. But I feel that paragraph 3 cannot be changed to any major extent—I do not intend to propose a text; it must not do away with the principle that has been accepted by all speakers. Having said that, I will willingly discuss the matter with you, Mr President, and the House so that a motion for a resolution can be tabled tomorrow to which all can agree.

President. — I note that agreement has been reached on Mr Fellermaier's proposal to postpone consideration of the motion for a resolution.

A new date will be proposed for including it on the agenda.

13. Appointment of Members of Parliament

President. — On 7 July the House of Commons of the United Kingdom appointed Mrs Winifred Ewing as representative to the European Parliament and on 8 July the House of Lords appointed Lord Gladwyn as Member of the European Parliament.

The credentials of these Members will be verified at the next Bureau meeting, on the understanding that they will meanwhile take their seat in Parliament with the same rights as other Members pursuant to Rule 3(3) of the Rules of Procedure.

Moreover, I have been informed by the House of Commons that the appointment of Mr Johnston expired on 8 July 1975.

14. Agenda for next sitting

President. — The next sitting will be held tomorrow, Wednesday, 9 July 1975, with the following agenda:

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

- Question-time;
- Statement by the President-in-Office of the Council;
- Presentation and discussion of the report by Mr Alfred Bertrand on European Union.

The sitting is closed.

(The sitting was closed at 6.25 p.m.)

SITTING OF WEDNESDAY, 9 JULY 1975

Contents

<p>1. Approval of the minutes: <i>Mr Memmel</i> 85</p>	<p><i>Mr Rumor; Mr Suck; Mr Rumor; Mr Aigner; Mr Rumor</i> 91</p>
<p>2. Organization of the debate on the Bertrand report on European Union: <i>Mr Bertrand; Mr Walkhoff; Sir Derek Walker-Smith; Mr Borschette, member of the Commission; Mr Bersani</i> .. 86</p>	<p><i>Question No 5 by Mr Corterier: Advantages for Europe in the results of the CSCE:</i> <i>Mr Rumor; Mr Corterier; Mr Rumor; Mr Blumenfeld; Mr Rumor; Mr Seefeld; Mr Rumor; Lord Bethell; Mr Rumor; Mr Fellermaier; Mr Rumor, Mr Burgbacher; Mr Rumor</i> 91</p>
<p>3. Verification of credentials 87</p>	<p><i>Questions to the Commission of the European Communities:</i></p>
<p>4. Membership of committees 87</p>	<p><i>Question No 6 by Mr Willi Müller: Commission participation in the CSCE talks:</i> <i>Sir Christopher Soames, Vice-President of the Commission; Mr Willi Müller; Sir Christopher Soames; Mr Howell; Sir Christopher Soames; Mr Bersani; Sir Christopher Soames; Mr Jahn; Sir Christopher Soames</i> 92</p>
<p>5. Question Time (Doc. 176/75): <i>Questions to the Council of the European Communities:</i> <i>Question No 1 by Mr Leenhardt: Multinational companies:</i> <i>Mr Rumor, President-in-Office of the Council; Mr Leenhardt; Mr Rumor; Mr Prescott; Mr Rumor; Sir Derek Walker-Smith; Mr Rumor; Mr Fellermaier; Mr Rumor; Mr Broeksz; Mr Rumor; Mr Osborn; Mr Rumor; Mr Normanton; Mr Rumor</i> 88</p>	<p><i>Question No 7 by Mr Bordu: Inquiry into the activities of oil companies:</i> <i>Mr Borschette, member of the Commission; Mr Bordu; Mr Borschette; Mr Dalyell; Mr Borschette; Mr Noè; Mr Borschette</i> 93</p>
<p><i>Question No 2 by Mr Ansart: Transfer of 'Pluton' missiles to the Federal Republic of Germany:</i> <i>Mr Rumor; Mr Ansart; Mr Corterier; Mr Rumor; Mr Aigner; Mr Rumor; Mr Fellermaier; Mr Rumor</i> 89</p>	<p><i>Question No 8 by Mr Blumenfeld: Commission reports on economic trends and the general economic situation:</i> <i>Mr Haferkamp, Vice-President of the Commission; Mr Blumenfeld; Mr Haferkamp; Mr Bersani; Mr Haferkamp; Mr Giraud; Mr Haferkamp; Mr Dykes; Mr Haferkamp; Sir Brandon Rhys Williams; Mr Haferkamp; Mr Cifarelli; Mr Haferkamp; Mr Normanton; Mr Haferkamp</i> 94</p>
<p><i>Question No 3 by Mr Adams: Member States' behaviour at the CSCE talks:</i> <i>Mr Rumor; Mr Adams; Mr Rumor; Mr Seefeld; Mr Rumor; Mr Walkhoff; Mr Rumor; Mr Cifarelli; Mr Rumor; Mr Burgbacher; Mr Rumor; Mr Giraud; Mr Rumor; Mr Aigner; Mr Rumor; Mr Jahn; Mr Rumor</i> 90</p>	<p><i>Question No 9 by Mr Johnston: Unemployment situation in the Member States (See Annex)</i> 96</p>
<p><i>Question No 4 by Mr Behrendt: Frontier changes in the context of European unification:</i></p>	<p><i>Procedural motion: Lord Gladwyn</i> .. 96</p>

Question No 10 by Mr Hougardy: Quantitative restrictions on imports: Mr Lardinois, member of the Commission; Mr Hougardy; Mr Lardinois; Mr Corrie; Mr Lardinois	96	7. Petitions	101
Question No 11 by Mr Noè: Computers (See Annex)	97	8. European Union — Debate on a report drawn up by Mr Alfred Bertrand on behalf of the Political Affairs Committee (Doc. 174/75):	
Question No 12 by Mr Spicer: Dumping of rubbish overboard (Held over)	97	Mr Alfred Bertrand, rapporteur	101
Question No 13 by Mr Shaw: Postage rates (See Annex)	97	Mr Giraud, chairman of the Political Affairs Committee; Mr Corterier, on behalf of the Socialist Group; Mr Lückner, on behalf of the Christian-Democratic Group; Lord Gladwyn, on behalf of the Liberal and Allies Group; Mr Kirk, on behalf of the European Conservative Group; Mr de la Malène, on behalf of the Group of European Progressive Democrats; Mr Bordu, on behalf of the Communist and Allies Group; Mr Ortoli, President of the Commission; Mr Tindemans, member of the Council; Mr Concas, draftsman of opinion; Mr Corona; Mr Klepsch; Mr Premoli; Sir Derek Walker-Smith; Mr Lenihan; Mr Maa-gaard; Mr Ortoli; Mr Alfred Bertrand; Mrs Ewing; Mr Stewart; Mr Scelba; Mr Guldberg; Lord Reay; Mr Nyborg; Mr Broeksz; Mrs Kruchow; Mr Knud Nielsen; Mr Prescott; Mr Jahn; Mr Glinne	106
Question No 14 by Mr Corrie: Position of independent airlines within the Community (Held over)	97	9. Agenda for next sitting	154
Question No 15 by Mr Osborn: Steel industries (Held over)	97	ANNEX: Questions, which could not be answered during Question Time, with written answers	155
Question No 16 by Mr Howell: Butter supplies (Held over)	97		
Question No 17 by Mr de la Malène: Official return of the French franc to the snake (Withdrawn)	97		
Question No 18 by Mr Fellermaier: EEC Commission office in Chile (See Annex)	97		
Question No 19 by Mr Seefeld: Obstacles to passenger traffic at the internal frontiers of the European Community (See Annex)	97		
Procedural motion: Mr Dykes	97		
6. Statement by the President of the Council:			
Mr Rumor, President-in-Office	97		

IN THE CHAIR: MR SPÉNALE

President

(The sitting was opened at 10.10 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?

I call Mr Memmel.

Mr Memmel. — (D) Mr President, I have an observation to make not on the minutes of yesterday's sitting but on those of the day

before. The speech by the British Member, Mr Johnston, on the membership of the British delegations is not included, at least not in the German edition. I think this is a mistake. I do not know if it is also missing from the editions in other languages. Nor does the reply by Mr Fellermaier to this important speech appear in the German edition. It is not my business to find fault in a matter which concerns Mr Fellermaier but I do so because of the importance of the matter.

(Laughter)

President. — You are right Mr Memmel. The necessary correction will be made in the final edition of the minutes.

Are there any other comments?

The minutes of proceedings are approved.

2. *Organization of the debate on the Bertrand report on European Union*

President. — At its meeting this morning the enlarged Bureau decided to organize the debate on the Bertrand report on European Union as follows:

- Rapporteur, 20 minutes.
- Mr Giraud, chairman of the Political Affairs Committee: 10 minutes.
- Commission, Council and Mr Tindemans: 50 minutes.
- Speaker for each of the six groups: 20 minutes each.
- Socialist Group: 90 minutes.
- Christian-Democratic Group: 80 minutes.
- Liberal and Allies Group: 45 minutes.
- European Conservative Group: 25 minutes.
- Group of European Progressive Democrats: 25 minutes.
- Communist and Allies Group: 20 minutes.
- Non-attached Members: 10 to 15 minutes.

Speeches will be classified in four categories:

1. Powers and institutional structure of the Union;
2. Economic, monetary, energy, social, regional policies, etc.
3. Budgetary and financial aspects, Court of Auditors;
4. Foreign policy, security aspects, development policy, etc.

Draftsmen for opinions will be allowed to speak for ten minutes each within their individual terms of reference.

Speakers are asked to submit their names to the Sessional Service by 12 o'clock this morning, indicating in which sector they wish to speak.

The enlarged Bureau has also decided that Parliament will suspend its sitting at 8.30 to 9.00 p.m. this evening.

If by that time the debate has not finished, it will continue tomorrow at 10.00 a.m.

As regards the agenda for tomorrow's sitting, the enlarged Bureau has decided that the proceedings will continue as follows:

- Possibly, resumption of the debate on the Bertrand report;

- Vote on the motion for a resolution on European Union;

- Joint debate on the reports by Mr Aigner and Mr Lange on the budgetary provisions of the Treaties and the Court of Auditors;

- Debate on the report by Mr Della Briotta on wine.

Only after the vote on Mr Della Briotta's report on wine, which will probably take place late on Thursday night, will we be able to decide whether the other items included on Thursday's agenda should be held over to a later part-session.

I call Mr Bertrand.

Mr Bertrand. — (NL) Mr President I ask leave to speak not as rapporteur but as chairman of the Committee on Social Affairs and Employment. I would like to ask the Bureau, before taking decisions on the consideration of important reports, to consult the chairmen of the committees responsible for their submission. The reports by Mr Albers and Mr Marras are now being removed from the agenda without the opinion of the chairman of the relevant committee having been sought. The Committee on Social Affairs and Employment met for three consecutive days in order to complete the Albers Report. This does, after all, concern the very important problem of migrant workers. This report is now being removed from the agenda without any consultation with our committee. I would like to ask that in future the chairmen of the committees should no longer be treated as so many figureheads. Life is difficult enough for them as it is and they must be consulted on matters which directly concern their area of responsibility.

(Applause)

President. — I note your comments.

I must remind you first of all that these reports have not been withdrawn from the agenda, but the Bureau, as was its duty, has been obliged to define the order of priority: the report on European Union, the reports on amendments to the Treaties as regards budgetary procedure and the Court of Auditors, and the report on wine. That being said, I quite understand your reaction and I shall note it.

I call Mr Walkhoff.

Mr Walkhoff. — (D) Mr President, I am sorry that the report on the European Schools will now probably have to be postponed for a second time. I regret this because it may give those

Walkhoff

concerned the wrong impression that this House attaches little importance to the problems of the European Schools. We must just accept the situation but I would ask, Mr President, that when this matter is again taken up in September, every effort is made to set aside sufficient time for discussion so that this important report can be given the attention it deserves.

President. — I call Sir Derek Walker-Smith.

Sir Derek Walker-Smith. — I should like to refer, Mr President, to what you have just said about the headings under which you wish to arrange this important debate on the subject of European Union. I respectfully doubt the wisdom of any effort at rigid compartmentalization, which experience shows does not generally work in this sort of debate. This is a very wide subject, with great and fundamental constitutional implications. Indeed, it has been the subject of a report from the Legal Affairs Committee, which takes account of these constitutional and institutional implications.

For myself, if I am fortunate enough to catch your eye and to contribute to the debate, I would not wish to be restricted to these precise subject headings. I would wish to address myself to these constitutional matters and to the institutional framework. I hope, therefore, that you will make it clear to the Parliament that on this important debate there will be a flexible interpretation of these arrangements and that you will encourage rather than prohibit any contributions which seek to cover the broader context.

President. — I call Mr Borschette.

Mr Borschette, member of the Commission. — (F) I feel, Mr President, that in order to simplify Thursday's agenda, it would be desirable to decide tomorrow morning at the latest on any additional items that may be included, i.e. items you have not specifically mentioned, particularly the report on European Schools.

President. — We shall include on tomorrow's agenda the resumption of the debate on European Union, if necessary and the vote, the reports on budgetary procedure and the Court of Auditors, the report on wine, on which the political groups have also proposed that the debate should be limited to four hours.

If we can discuss other items, we shall take them in the order in which they appeared on the draft agenda.

I call Mr Bersani.

Mr Bersani. — (I) Mr President, to come back to the probability of the postponement of the Albers report on migrant workers, I would like to repeat the suggestion already made by my colleagues: since there are several very urgent reports pending on major social problems, a full debate on the social situation should be allowed in the September part-session, with the participation of both the Council and the Commission, and this should be made a central feature of the agenda of the whole part-session.

This would be in line with the votes of the whole Assembly in the preceding part-session.

3. Verification of Credentials

President. — At its meeting of 9 June 1975, the Bureau verified the credentials of Mrs Winifred Ewing and Lord Gladwyn, whose appointments by the House of Commons and the House of Lords respectively were announced on 8 July 1975.

Pursuant to Rule 3(1) of the Rules of Procedure, the Bureau has made sure that these appointments comply with the provisions of the Treaties.

It therefore asks the House to ratify these appointments.

Are there any objections?

These appointments are ratified.

4. Membership of committees

President. — I have received from the Liberal and Allies Group a request for the appointment of Mrs Edele Kruchow to the Committee on Energy, Research and Technology and the Committee on Public Health and the Environment.

I have received from the same group a request for the appointment of Mr Niels Anker Kofoed to the Committee on Agriculture to replace Mr Brøndlund Nielsen.

Are there any objections?

These appointments are ratified.

5. Question Time

President. — The next item is Question Time (Doc. 176/75) with questions to the Council and the Commission of the European Communities pursuant to Rule 47 A (1) of the Rules of Procedure.

President

I ask Members to adhere strictly to the guidelines on Question Time when putting their questions.

We shall begin with questions to the Council of the European Communities. The Council representative is asked to reply to these questions and any supplementary questions.

Question No 1 by Mr Leenhardt reads as follows:

'Why has the Council taken no action following the Commission's communication on multinational companies and what does it propose to do to remedy this state of affairs?'

On behalf of you all I am pleased to welcome Mr Rumor on his first appearance here as President of the Council.

Mr Rumor, President-in-Office of the Council.

— (I) I would like to thank you, Mr President, for your cordial welcome and to offer my respects to you and to the European Parliament meeting here.

The communication from the Commission on multinational companies in the context of Community regulations has been examined with due care by the Council.

The communication does not include any formal proposals within the meaning of the Treaty; its main purpose is to list a number of measures—under Community policies now being developed—which the Commission believes could contribute to solving many of the problems raised.

The proposed measures are not discriminatory and deal with problems which affect not only multinational companies but also national companies or individuals.

The Commission has put forward proposals on some of these measures. The Council has already made decisions on some of them, for example the proposal on collective redundancies. Others are still being considered, for instance the proposals on the protection of workers in takeovers, company mergers, the structures of companies, the control of concentrations. Other proposals will be examined as soon as possible, such as that on the statute for a European Company, on which an amended proposal from the Commission has just been presented to the Council.

For other measures the Commission has promised proposals which the Council will examine as soon as it receives them.

I would like to add two short remarks. Firstly, I would like to point out that since these phenomena are in themselves multinational, solutions must be found at world level. Secondly, I would like to stress the importance of improving in-

formation about large companies both multinational and national.

Mr Leenhardt. — (F) At the Paris Summit Conference, the Danish Government submitted a memorandum on multinational companies and urged that work should be started on the proposal for a fourth directive on the presentation of annual company accounts.

In its communication on multinational companies, the Commission of the European Communities also drew particular attention to this proposal and emphasized that the measures laid down would contribute to a gradual improvement in the necessary comparability of accounts.

The European Parliament itself laid stress on the same thing when it voted on the motion for a resolution on multinational companies.

In view of this, when does the Council intend to adopt a position on the proposed fourth directive on annual company accounts?

Mr Rumor. — (I) The Council intends to consider thoroughly the amended proposal for a fourth directive on annual accounts of capital companies. I can assure you that as President of the Council I will make every effort to ensure that this consideration begins as soon as possible.

Mr Prescott. — I hope that we will consider discriminatory policy against multinational companies and that they will not be treated the same as national companies. A few months ago, Parliament passed a resolution concerning multinational companies and very recently one of those companies, an American company, closed down typewriter manufacture in my constituency and moved the production to Germany. In 1973 the Commission produced a report on holding companies. Has the Council expressed a view on it yet? If not, when will it do so?

Mr Rumor. — (I) As regards holding companies, the Council has already examined this problem and has reached the conclusion that the taxation problems which arise here must be dealt with in the general framework of tax harmonization and in the fight against tax evasion. I can assure you that the technical aspects of this work are being carried on within the Council and will be pursued.

Sir Derek Walker-Smith. — Will the President-in-Office confirm that it is the Council's intention to approach the problem of a study of multinational companies not in any narrow or discriminatory context but as part of the wider question of the study of competition policy and

Walker-Smith

of company law relating both to the European Company statute and to the fourth and fifth directives on the harmonization of company law and also having regard to the study of these matters at present in progress within the United Nations?

Mr Rumor. — (I) Yes, along the lines proposed by the Commission.

Mr Fellermaier. — (D) The President of the Council said in his first answer to Mr Leenhardt's question that further measures were of course necessary world-wide. May I therefore conclude that the Foreign Ministers of the Nine will use the forum of the General Assembly of the United Nations to make concrete proposals on behalf of the Nine?

Mr Rumor. — (I) I cannot give a completely affirmative answer to this, partly because the question has been sprung on me somewhat unexpectedly. I must say, however, that this problem will certainly have to be dealt with in a broader framework, for example in the OECD as regards Europe and possibly even later in the United Nations. However, as I said, I cannot give you a completely affirmative answer.

Mr Broeks. — (NL) Is the President-in-Office of the Council aware that in February of this year the board of the European Federation of Trade Unions adopted a resolution on the rights of employees of multinational undertakings in respect of representation, information and consultation and, if the Council is aware of this, will it then give due consideration to this resolution?

Mr Rumor. — (I) I can assure Mr Broeks that the Council has noted this.

Mr Osborn. — Will the Commission take into account the work that the OECD has done in this field, supported particularly by UNICE and the CBI? Is it not a fact that over the years the World Bank and the International Chamber of Commerce have endeavoured to encourage private industry, particularly in the Community and the United States, to invest in developing countries? Is it not also a fact—and I hope that the Commission will consider this—that the best catalyst for transferring knowledge and modern industrial know-how is the company set up in a developing country or another country by a company based in the more developed industrial world? Therefore, I hope that the Commission will not look at this problem with a prejudiced eye.

Mr Rumor. — (I) As Mr Osborn said himself, this question is for the Commission to deal with. Therefore it is not up to me to reply.

Mr Normanton. — Whilst expressing the firm conviction that this House will never allow itself to be blinded to actions taken in any quarter, where such actions are in conflict with the best interests of Europe, does not the President-in-Office of the Council of Ministers agree that politicians and governments both have much to learn from the ways in which many multinational companies contribute most effectively to the expansion of international trade, an objective which stands high on the order of priorities of this, the European Economic Community?

(Cries)

Mr Rumor. — (I) I note what the honourable Member has said.

(Laughter)

President. — Question No 2 by Mr Ansart reads as follows:

'Since

— the Potsdam agreement, signed by one of the Member States of the EEC, strongly emphasizes the need for the complete disarmament and demilitarization of Germany, and

— the 1954 London and Paris agreements, also signed by certain Member States, expressly call on the Federal Republic of Germany to renounce the manufacture and possession of nuclear weapons,

does the Council not think that the talks which, according to the German Defence Minister, Mr Georg Leber, are at present being held by the French and West German government on the installation of 'Pluton' nuclear missiles in the Federal Republic run counter to the above agreements and represent a serious threat to the continuation of the process of détente in Europe?'

Mr Rumor, President-in-Office of the Council. — (I) As the honourable Member is aware, defence questions are not within the terms of reference of the European Economic Community.

Mr Ansart. — (F) I note Mr Rumor's answer, which will be borne in mind during the rest of the discussion.

I would like to raise a question of grave concern to the European Parliament; do you not think, Mr President, that the matter I mentioned will soon become a source of increased tension in Western Europe, particularly on the frontiers of the Federal Republic of Germany, and that it runs counter to all the efforts that have been made to maintain peace, notably at the Conference on Security and Cooperation in Europe?

Mr Corterier. — (D) Does the Council not share my concern that the French Communist Party and its representatives are making yet another attempt to use the European Parliament as a forum for anti-German propaganda?

(Applause)

And does the Council not share my view that this propaganda is above all directed against the good relations between France and the Federal German Republic which constitute one of the decisive foundations of the European Community?

(Applause)

Mr Rumor. — (I) I note these statements. It is clear that the President-in-Office of the Council must be in favour of good relations between countries belonging to the Community. I cannot say more than this, because it is not within the Council's terms of reference to answer these questions.

Mr Aigner. — (D) I should like to ask the Council—since political systems are again under discussion—if it is prepared to give greater attention to the insane and criminal armaments policy of Moscow which is endangering the security and freedom of this continent, and to mobilize public opinion.

(Applause from the European Conservative Group)

Mr Rumor. — (I) I have no comments to make.

Mr Fellermaier. — (D) Do you agree with me that the common position of the Nine on the CSCE talks in Geneva is a more important contribution than phoney questions from the Communists to a matter on which this House is agreed, namely making an active contribution to peace in Europe and in the world?

(Applause)

Mr Rumor. — (I) I will shortly be stating my views on these questions.

President. — Question No 3 by Mr Adams reads as follows:

'Has Member States' behaviour at the CSCE talks been in accordance with the joint will of all nine Member States and the interests of the Community?'

Mr Rumor, President-in-Office of the Council. — (I) I feel it my duty to point out that on political cooperation no procedure has yet been laid down for Question Time; however, since this matter concerns both the Community and

political cooperation, I may perhaps be allowed to go beyond my authority as President-in-Office of the Council and answer Mr Adams' question.

On the subjects dealt with in the Conference on Security and Cooperation in Europe which are within the Community's terms of reference, I can confirm that the guidelines laid down within the Community were respected by the Nine throughout the proceedings in Geneva. On a more general level, I would like to stress my satisfaction that not only do the probable results of the conference fully preserve the specific interests of the Community and the process of European construction, but that the negotiations themselves have given a very clear demonstration of the understanding between the Nine, and allowed them to make an essential contribution to the work of the conference, which was recognized by all the participating states.

Mr Adams. — (D) Is the Council aware that important political groupings have taken up positions against the outcome of the negotiations to date? If so, what are the political groupings concerned?

Mr Rumor. — (I) The governments of the Member States are well aware of trends in public opinion and have reacted in the way I have described.

Mr Seefeld. — (D) Has the conciliation procedure between the Nine been satisfactory or would you say from your own experience, that certain improvements might be desirable?

Mr Rumor. — (I) Improvements are always desirable, but I think that we can be satisfied with the procedure which the Nine have so far followed.

Mr Walkhoff. — (D) Since you spoke only of an understanding agreement between the Member States I should like to ask you if there were difficulties in defining the objectives of the negotiations?

Mr Rumor. — (I) Strictly speaking I must recall the procedural problem which I mentioned initially. I can say, however, that the Nine have always attempted, in a spirit of cooperation, to find a joint position on the various problems being examined.

Mr Cifarelli. — (I) While respecting the limits of the Community's powers in the economic sector, as pointed out by the President-in-Office of the Council, I would nevertheless like to ask whether Mr Rumor's opinion refers in particular

Cifarelli

to the matters involved in the 'third basket', which in point of fact is the most important series of problems being considered by the Geneva conference.

Mr Rumor. — (I) I would like to point out that the Community's powers extend primarily to the 'second basket'. Mr Cifarelli knows, however, that for the 'third basket' too, balanced solutions have been found which I think will lead to positive results.

Mr Burgbacher. — (D) Does the Council not take the view that a definitive judgement on the Geneva conference will not be possible until the published results have been made available to us in the languages of the Community and can be examined?

Mr Rumor. — (I) There has already been such an agreement between all the countries participating in the conference on the documents to be published in the various languages.

Mr Giraud. — (F) Can the President-in-Office of the Council confirm or deny the recent pessimistic press reports on the outcome of the conference?

Mr Rumor. — (I) The discussion is still open and I think that pessimistic impressions can neither be confirmed nor denied. As you are aware, the Nine are making every effort to ensure that the conference reaches a conclusion as soon as possible.

Mr Aigner. — (D) Could you inform us what the main reasons are for the unwillingness of the Eastern bloc states to open their frontiers to our ideas and to an exchange of views?

Mr Rumor. — (I) This is really going a bit too far beyond my authority. I would therefore ask you, Mr President, to excuse me from answering this question.

Mr Jahn. — (D) Can you tell us what matters have still not been dealt with to the satisfaction of the Nine, thus preventing the preliminary negotiations from being officially concluded?

Mr Rumor. — (I) Mr President, if you will permit me, I repeat my answer of a few moments ago.

President. — Question No 4 by Mr Behrendt, who will be replaced by Mr Suck, reads as follows:

'Does the Council see the possibilities of peaceful frontier changes in the context of European uni-

fication as being in any way restricted by the results of the CSCE talks?'

Mr Rumor, President-in-Office of the Council. — (I) This aspect of the work of the conference is not, as I have said, directly linked to matters falling within the terms of reference of the Council. However, I hasten to add that throughout the negotiations, the Nine paid particular attention to the necessity of preventing the results of the conference harming in any way prospects for European construction or being interpreted as a confirmation of the political and territorial *status quo* in Europe. A document on the peaceful alteration of frontiers confirms the results of the conference and in no way implies unchangeability of frontiers.

Mr Suck. — (D) Does the Council see any grounds for fears that the process of European integration could be compromised by the CSCE negotiations?

Mr Rumor. — (I) I have already said that the Council has no reasons for anxiety. However, even if it had it would not admit it.

Mr Aigner. — (D) Was the anxiety felt in the Community at least discussed during the CSCE negotiations?

Mr Rumor. — (I) Certainly, this was discussed, as were all problems. The Nine adopted their position, which I have just described.

President. — Question No 5 by Mr Corterier reads as follows:

'What political and economic advantages for Europe does the Council expect from the results of the CSCE?'

Mr Rumor, President-in-Office of the Council. — (I) As you are aware, the Conference on Security and Cooperation in Europe has not been concluded yet. It would therefore be premature to make any pronouncement about the advantages the Community will draw from it. Moreover, in the economic field there is one important question still to be settled. However, I can state now that if the Eastern countries accept a satisfactory definition of the concept of reciprocity, positive results are sure to follow. In any case, an objective and satisfactory evaluation of the results can be made only in the light of the operation of the provisions made by the conference.

As regards the continuation of the multilateral dialogue, the Community's points of view will be expressed, in accordance with its own rules, whenever matters within its competence are discussed.

Mr Corterier. — (D) Can the CSCE negotiations be regarded as having led to an improvement in the political climate between the Community and Comecon and also between the Community and individual members states of Comecon?

Mr Rumor. — (I) We hope this will be the case. Certainly, some improvements in these relations have already taken place.

Mr Blumenfeld. — (D) Do you anticipate any political or economic difficulties if the final conference cannot be held before the beginning of the summer recess and has to take place in the autumn or winter?

Mr Rumor. — (I) The work is aimed at reaching as quick and positive a conclusion as possible, with a view to the results which the conference can start to give once it has been concluded.

Mr Seefeld. — (D) Do you share my view that the cooperation agreement envisaged in basket 2 will be in the interests of the European Community as such?

Mr Rumor. — (I) Certainly.

Lord Bethell. — Whilst one appreciates that the results of this conference are not yet known, is the President-in-Office able to give us any cause for optimism at all on the question of basket 3? We will presumably be making certain concessions on the question of frontiers as a result of this conference.

Can the President-in-Office give us any cause for optimism whatsoever that the Eastern countries are prepared to allow a greater dialogue between them and the West and that they are prepared to allow greater movement between East and West with cultural exchange and reunification of families?

One is told there has been very little progress on basket 3. Can the President-in-Office reassure us on this point?

Mr Rumor. — (I) I can say that some progress has been made and this has been mentioned in articles in the press.

Mr Fellermaier. — (D) Do you expect a speedy conclusion to the CSCE negotiations to lead to an improvement in the atmosphere of the MBFR negotiations which are taking place at the same time in Vienna?

Mr Rumor. — (I) Certainly, any improvement in one sector brings in its wake improvements in related sectors.

Mr Burgbacher. — (D) Do the Council and its President share the view of — as I believe — the majority of this House that a constitutionally clear formulation of the outcome is more important than reaching a very quick conclusion and that non-legal and vague terms such as 'goodwill' should not be allowed to obscure our future prospects, but that it would be better — even if it takes time — to establish legal clarity?

(Applause from the Christian-Democratic Group)

Mr Rumor. — (I) I would like to reply with a saying we have in Italian: a thing worth doing is worth doing well — and quickly!

(Laughter)

President. — We now come to the questions to the Commission of the European Communities. The competent representative of the Commission is asked to reply to these questions and any supplementary questions.

Question No 6 by Mr Müller reads as follows:

'To what extent has the Commission been involved in the CSCE talks and consultations?'

Sir Christopher Soames, Vice-President of the Commission. — Broadly speaking, there have been a number of aspects to the Commission's contribution to the conference. In the first place, Commission representatives have participated in the work of Committee 2 which deals with economic matters and its various sub-groups. The representatives of the Commission have been separately listed in the delegation of the Member State exercising the Presidency, the status and function of the Commission being clearly indicated.

When Committee 2 began its work, the representative of the Member State exercising the Presidency made a statement indicating that the representatives of the Commission would be expressing the Community's point of view on those issues which fell within the area covered by the Community's competences and procedures.

In addition to these direct contributions to the work of the conference proper, the Commission has participated in all the discussions and the political cooperation machinery both at ministerial and at official level where the positions to be taken by the Member States have been prepared.

Mr Willi Müller. — (D) I should like to ask the Vice-President if he considers the Commission's share in the negotiations adequate or if he takes the view that it should have played a greater part?

Sir Christopher Soames. — I would say that things went pretty well. To sum up, I do not know what the Security Conference will have proved to have done for security, but it has certainly done a great deal of good for the Community, inasmuch as this is the first time that the Community, as such, has been involved in an international negotiation spanning as wide an area as this, dealing with matters covering both Community competences and what is broadly known under the generic heading of political cooperation. Under both heads the Community has been run in at this conference.

Under both heads there has been a degree of understanding and agreement among Member States, which is welcome to all of us. The House will be pleased with this. Indeed, the Community has managed to speak with one voice on matters of both political and economic competence. My only hope is that it will continue like this up to the end, and not weary of well-doing in the latter phases of the conference.

Mr Howell. — According to Press reports, some delegations to the Security Conference are saying that all important outstanding questions are virtually settled. What, in the Commission's view, are the prospects of the third phase of the conference beginning in Helsinki by the end of this month?

Sir Christopher Soames. — I would not like to make any forecast. I believe that it should soon be possible to wind up the conference. Whether or not it will be possible will depend upon finding proper solutions to a number of important problems which are still outstanding. These concern both basket 1, dealing with security matters in particular, and basket 2, dealing with economic relations. It is not for me to touch on basket 1—that is outside the Commission's competence—but basket 2 is very much of Community interest.

All the Foreign Ministers met on 24 June last in political cooperation, and it was from that meeting that a statement went out emphasizing the importance that we attached to finding, in particular, a satisfactory formula on reciprocity. This was referred to by the President-in-Office just now. We believe that because of the differing nature of economic systems in Western and Eastern Europe, concessions made by one side must be met on the other by measures of equivalent value—not just equivalent in form but equivalent in value. It is essential that this principle finds its proper reflection in the documents of the conference. In our view, this has not yet been achieved.

Mr Bersani. — (I) On the question of reciprocity, I would like first of all to ask what progress has been made and what are the Commission's forecasts.

Secondly, I would like to know what, in the Commission's opinion, are the economic questions in the second 'basket' which are outstanding and problematic.

Sir Christopher Soames. — I think that reciprocity is the only outstanding problem in basket 2, but it is important and fundamental. There is no grey area here; it is either white or black. Either there is reciprocity in terms of value for all to see, or there is not — and up to now there has been none. But if there is genuine desire to conclude the conference and move into the third phase I hope that this would be achieved.

Mr Jahn. — (D) We are very glad to hear that in basket 2 reciprocity has been made the basis of final agreement. I would therefore ask the Commission, which took part in all stages of the negotiations on the separate topics, what problems in basket 3 could not be resolved to our satisfaction?

Sir Christopher Soames. — That is not for the Commission but for the Council to answer. This question was put to the President-in-Office of the Council and I cannot add to the information he gave.

President. — Question No 7 by Mr Bordu reads as follows:

'In view of the fact that the Commission inquiry has been in progress since December 1973 and in the light of the statement made by Mr Borschette at the sitting of 16 January 1975¹ during discussion of the oral question on oil companies (Doc. 408/74), whereby he undertook, 'to return to this question at the end of the first half of 1975', is the Commission now in a position to present the initial results of this inquiry?'

Mr Borschette, member of the Commission. — (F) The Commission has finished its inquiries into 22 oil companies in the Common Market countries.

However, these inquiries and the analysis of the results have not yet given us an overall view of the activities of oil companies, particularly the international groups.

The commission has therefore decided to postpone its report to Parliament for a few more months.

¹ Debates of the European Parliament No 185 (January 1975), p. 210.

Borschette

We are at present making additional investigations into 11 oil companies both inside and outside the Community. These relate to the large international oil concerns and centre on the cost of transferring oil to the Common Market's refineries and the prices charged in the various countries during the oil crisis.

Mr Bordu. — (F) I welcome these first very encouraging comments on the inquiry into the oil companies. I hope that account has been taken of the facts brought to light by the inquiry in France, which yielded valuable information on the activities of these companies.

Finally, I would like to see these efforts continued and hope to receive as soon as possible an answer to the whole of my question.

Mr Borschette. — (F) The 'Schwartz Report', as it is called in France, is one of the documents at the Commission's disposal and, as such, it will be taken into account.

Mr Dalyell. — Could Mr Borschette also give attention in his inquiry to the growing problem of fatal accidents among divers in the search for North Sea oil? The total has now reached over 50. Perhaps the Commission could look at diving regulations, which affect more countries than the one that I come from.

Mr Borschette. — (F) The report will deal with the activities of oil companies, particularly during the 1973 oil crisis.

I do not see how the Commission could deal with all the problems arising inside and outside the oil Companies, especially those relating to industrial safety, which in any case is more the province of my colleague Mr Hillery.

Mr Noè. — (I) Apart from the activities of oil companies, will this report also deal with problems of research programmes which very closely affect the Community's supplies?

Mr Borschette. — (F) It is possible that the Commission will put forward proposals on this matter in its conclusions on the activities of the oil companies, or it might broach the subject in its report on research and the programming of research.

President. — Question No 8 by Mr Blumenfeld reads as follows :

'To what extent are the Commission's economic analyses and prognoses based on corresponding reports and statements from the governments of the Member States and to what extent does the

Commission try to formulate its own views and assessments on economic situations at a given moment, which are then published?'

Mr Haferkamp, Vice-President of the Commission. — (D) The Commission bases its continuous observation and analysis of economic developments on various sources.

In the first place it has its own statistics provided by the Statistical Office of the European Communities, and these include the results of regular surveys of undertakings and consumers carried out for the Commission.

In the second place, the Commission relies on reports, statistics and commentaries.

Thirdly, the Commission evaluates the statistics and reports of relevant international institutes and organizations inside and outside the Community.

All this material, which we are constantly processing, forms the basis for the evaluation of existing situations and developments which the Commission undertakes on its own responsibility in the Community interest. It is also the basis for proposals which the Commission puts forward either as part of its regular procedures for the coordination and approximation of economic policy or on an *ad hoc* basis, most of which are then forwarded to this House.

Mr Blumenfeld. — (D) Does the Commission not feel that it should nevertheless distinguish in its analyses and forecasts between the documents and preconceived opinions forwarded to it by the governments of the Member States and its own views based on its own appraisal? Does it not take the view that the emphasis should be on its own independent judgment? In particular, is it prepared to draw the obvious conclusions from the fact that the OECD has come in for criticism and that national governments claim that even organizations like the OECD make wrong economic forecasts? According to the *International Herald Tribune* of 30 June 1975, an official declaration had to be made to the effect that inaccurate data from the German Federal Government had caused the OECD to make wrong forecasts.

Mr Haferkamp. — (D) I obviously cannot here express an opinion on matters which concern the OECD. It is difficult in my opinion to determine the separate origins of the vast range of data to which I just referred. What I think is important is that the evaluation of activities and the resulting proposals on economic and monetary policy should be made by the Commission on its own responsibility in the Community interest.

Haferkamp

As you know, that is what we have tried to do in the difficult period we are now in. In forming our opinions we have relied very heavily on permanent discussion, in particular with Parliament's Committee on Economic and Monetary Affairs.

Mr Bersani. — (I) I would like to deal not so much with the content of the Commission's proposals which, in general, I believe are to the point, but with a different problem.

Recently, in my view, the Commission's economic policy has been increasingly ineffective compared with economic policies in Member States. What does the Commissioner think of this and if he agrees with me, what in his opinion can be done?

Mr Haferkamp. — (D) The economic policy measures of the last eighteen months have not been as successful as we had hoped, not only in the Member States and in the Community but in the world as a whole. There are a number of reasons for this, which I cannot go into in detail. I should, however, like to point out that from the beginning of last year, when it became clear that the different groups of Member States found themselves in different situations, the strategy of the Commission took the form of a complementary economic policy. In a situation where some Member States have high balance of payments deficits and others surpluses, it is pointless to propose a uniform policy for them all. We therefore proposed economic policies suited to the different situations, which would complement, and not contradict each other, within the Community. I believe that the measures which have so far been taken in the different groups of countries in the past eighteen months fulfil this condition. They have also had certain positive effects, although I would not go so far as to say that this is enough.

Mr Giraud. — (F) Could you give us some idea of the efforts made by the Commission to improve the coherence and consistency of the statistics supplied by the various Member States?

Mr Haferkamp. — (D) This is something we have been engaged on for a very long time, in particular within the Statistical Office of the Community. We have made a lot of progress on harmonization. We have employed specialized working parties whose permanent task, in collaboration with the statistical offices of the Member States of the Community, is to ensure that the statistics are made generally comparable in

the shortest time possible. This is an operation which, because of the technical complexity of the problem, takes time. But we have achieved definite results and we are making every effort to speed the process up.

Mr Dykes. — As the Commission's figures and those supplied by national governments still show a dangerous discrepancy between the rates of inflation in the different Member States, and show that, in Ireland and the United Kingdom in particular, the rate of inflation is still too high, is not the Commissioner worried that this is the most alarming factor undermining the economic convergence guidelines and any operational harmonization proposals for 1975 and 1976? Why does he feel that there may be special circumstances in the United Kingdom, unlike other Member States where the rate of inflation has slowed down, which seem to indicate that the United Kingdom alone needs a formalized prices and incomes policy?

Mr Haferkamp. — (D) I cannot remember making the statement here that the Honourable Member referred to at the end of his speech. But I do share his anxiety at the great discrepancies between the rates of inflation in the Member States. We have already made repeated references to this in the past eighteen months. But I should like to say that we cannot expect to halt overnight an inflationary process which has been going on for several years. In a debate a month ago in this House, I stated that inflation was due to a wide range of causes. The oil price rises were only one reason which added to a long series of previous trends. But the fundamental reason is that in the Member States and other states in the world, we have been living above our means for a long time, we have believed that we can cope with economic difficulties by performing clever tricks. This is an attempt which is bound to fail. If we produce a hundred per cent we cannot demand a hundred and twenty per cent. That has got to stop.

(Applause)

Sir Brandon Rhys-Williams. — Does the Commission receive information from Member States which is confidential, or does it receive only material which is generally available and published anyway?

Does the Commission receive the material which is supplied by Member States to OECD simultaneously or does it have to depend on OECD's analysis of that material to find out what Member States are reporting to OECD?

Mr Haferkamp. — (D) I already stated in my first answer that we receive a wide range of material, including published material. The Commission has, however, for many years been employing permanent special teams which are responsible to me and which are in permanent contact with the relevant government bodies and also receive information which is not published. Moreover, a wide range of information is given at the monthly meetings of the Finance Ministers, which are usually attended only by the Ministers, the President of the Commission and myself, and this information is not published either.

Mr Cifarelli. — (I) I do not wish to anticipate the era of political union, but I believe that no policy can be carried out without absolutely reliable statistics.

Does the Community intend to carry out a census, or at least individual censuses throughout the Community, in a Community framework, with a Community interpretation and under the responsibility of the Community?

I believe that if this is not done, the type of statistics gathered and their interpretation will all depend on national authorities; but it is precisely the problems of understanding and interpreting national statistics which are the most difficult to resolve.

Mr Haferkamp. — (D) Statistics are always associated with secrets. You know the saying: 'Lies, damned lies and statistics'. But we have already referred to our efforts to harmonize the statistics. And I did say in my first answer that we carry out a series of completely independent assessments of our own, the most important of which I believe are the surveys of the attitudes of undertakings and consumers and the predictions and opinions of undertakings and consumers on future developments. I do not exclude the possibility of encompassing other problems in our direct assessments and statistics as required.

Mr Normanton. — The House will be well aware of the fact that at the last sitting here in Strasbourg I drew to the attention of the Commission the inadequacy of the Community's computer facilities in Luxembourg.

What steps does the Commission propose to take to deal with that inadequacy, and will it explain to the House whether the inadequate capacity of those computer facilities is in any way the cause of the Commission's lack of effectiveness in dealing with the matter raised under this question?

Mr Haferkamp. — (D) I would not wish to attribute inadequacies in our economic statistics or in statements based on them to technical problems; I must bear the political responsibility for them myself, but I am not personally competent to comment on technical problems.

President. — As Mr Johnston, the author of Question No 9, is no longer a Member of Parliament, his question will be answered in writing.¹

I call Lord Gladwyn for a procedural motion.

Lord Gladwyn. — Would it be possible for me to take responsibility for the question of my former colleague, Mr Johnston, because I think it might be of interest to the House to hear the Commission's answer on this very important question of unemployment?

President. — I am sorry, Lord Gladwyn, but under the guidelines given in the Rules of Procedure, a question may be answered only if the questioner is present or has notified the President in writing, before Question Time begins, of the name of his substitute.

Question No 10 by Mr Hougardy reads as follows:

'Does not the Commission consider that the regulations on the advertising of alcoholic beverages applicable in France contain measures equivalent in effect to quantitative import restrictions?'

Mr Lardinois, member of the Commission. — (NL) At a superficial level the measures taken in France in respect of advertising for alcoholic beverages may indeed arouse the impression that they have the same effect as quantitative import restrictions. For this reason the Commission decided some time ago to institute an investigation into the matter. The first reply that we have had on this from the French Government contains however a complete rejection of this hypothesis. The investigation is still proceeding; we shall carry it through and we shall keep the Honourable Member informed of the results.

Mr Hougardy. — (F) Since the inquiry is still in progress I should like to make several points in the form of a question.

I should like to know whether the Commission does not find it strange that there are no restrictions on the advertising of traditionally French products such as Cognac, Calvados, rum and

¹ See Annex.

Hougardy

their derivatives, which are 40 to 45° proof, whereas the advertising of whisky, vodka and gin which are only 43° proof, is completely banned and, in the case of vermouths, which are 18° proof and dessert wines which are 19° proof, it is strictly limited to a display of the bottle bearing only the maker's name?

I believe this information should facilitate the supplementary inquiry requested by Mr Lardinois.

(*Applause*)

Mr Lardinois. — (NL) We are aware of what the Honourable Member has said. We obtained the same impression ourselves from our first investigation. I would however like to point out that one of the products affected by the ban on advertising is the so-called 'Pastis' which represents approximately 60% of the alcohol marketed by the French alcohol monopoly.

Mr Corrie. — I welcome the Commission's effort towards removing the discriminations against imported spirits, including Scotch whisky, but can the Commission say what progress has been made on the harmonization of excise duties on Scotch whisky and other spirits?

Mr Lardinois. — (NL) I am unable to answer this question. I shall ask my colleague concerned with this matter for further information and send a reply to the honourable Member.

President. — Question Time is closed. I thank the representatives of the Council and the Commission for their statements.

Questions Nos 11, 13, 18 and 19 will be answered in writing.¹ Questions Nos 12, 14, 15 and 16 will be held over to another Question Time. Question No 17 has been withdrawn.

I call Mr Dykes for a procedural motion.

Mr Dykes. — Mr President, we have dealt with very few questions in comparison with the total list. This is obviously a difficult matter, and I am in no way seeking to criticize you. I think that you preside over Question Time, as you do in other matters, with a distinction and patience that we admire, but it is unfortunate that we deal with so few questions. I was wondering whether you could ask Members to be briefer with their supplementary questions—and whether this could apply also to the answers given by Council and Commission representatives.

¹ See Annex.

President. — The Bureau will examine the problem you have raised and which I fully appreciate.

6. *Statement by the President-in-Office of the Council*

President. — The next item is the statement by the President-in-Office of the Council of the European Communities.

Before calling Mr Rumor, I should like to welcome among us Mr Tindemans, the Prime Minister of Belgium, whom we are very pleased to see in the Chamber today.

(*Applause*)

I call Mr Rumor.

Mr Rumor, President-in-Office of the Council. — (I) Mr President, Members of Parliament, it is a great honour for me and cause for great satisfaction to speak for the first time as President-in-Office of the Council before Parliament, now fully representative, the Parliament of our Community whose construction and development I have never ceased to support.

My speech is intended not only to confirm established practice at the beginning of a President's new term, but above all to stress the importance of maintaining and developing the closest and most fruitful relations possible between Council and Parliament. Dialogue between our two Institutions has been an essential driving force in Community activities. It has now acquired new importance with the entry into force of the conciliation procedure which will allow Parliament to play a democratic role, exercising pressure and participating fully in all discussions on important financial matters.

Mr President, Italy is taking over the Presidency of the Community at a time when serious political and economic difficulties, largely arising from the monetary crisis of '71 and the energy crisis of '73, weigh heavily upon us all.

There are, however, in this depressing prospect, some grounds for hope. The Community has not lost ground during these times of crisis, and quite recently it has survived a period of prolonged uncertainty. It was with relief and great satisfaction that, at the beginning of last month, we welcomed the positive result of the historic referendum whereby the British people gave their seal of approval to the United Kingdom's membership of the European Community.

From today onwards we can, with new vigour, consolidate and develop the Community and project and plan its future progress with realism

Rumor

and confidence. This will once more be the theme under consideration at the meeting of Heads of Government in the Council in Brussels next week; and I am certain that the political will of the governments to contribute original ideas and suggestions to the debate will emerge once more. For my own part, I take up the Presidency of the Council with a clear commitment to advance, with due circumspection, but also with personal enthusiasm, the process of construction of the Community.

Only continued enthusiasm and uninterrupted progress can in my view ensure in all sectors, including the Institutions, the necessary development towards an integrated and politically responsible Europe.

All the problems are important. But I wish to deal in this House particularly with certain groups of questions which, in my opinion, as a matter of priority, require concentrated efforts to advance the cause of Europe in a realistic manner.

First of all on the institutional level, where in the second half of the year four questions will arise which will have to be considered together.

There is the problem of the adoption and ratification of the treaties on Parliament's budgetary powers and the establishment of a Court of Auditors.

Parliament will be giving its opinion on these treaties tomorrow. I am well aware that in their present form they do not meet all of Parliament's demands; but if you look at them in the longer term, as merely one step towards the gradual strengthening of Parliament's powers, I am sure that you will see clearly the value they have as a demonstration of the Council's political will.

Then there is the problem of the election of the European Parliament by direct universal suffrage. This will make the Parliamentary Assembly more democratically representative and my government has always been firmly convinced that direct elections can be the springboard to decisive developments in the construction of Europe. For my own part, I undertake to make every effort to ensure that the report you adopted last January is carefully considered and studied.

Then there is the task which has been entrusted to the Belgian Prime Minister, Mr Tindemans—and I too would like to extend my personal greetings to him today—on the problems of European Union. I hope that, in line with the conclusions of the Paris Summit, we will have at the end of the year at least an initial report, taking account of the contributions from the

other Community Institutions. I sincerely hope that this report will be considered by the European Council which will be meeting in Rome before the end of the year so that, in agreement with the other member governments, a suitable procedure will be established to deal further with these fundamental problems.

On the institutional level I would like finally to mention the procedures for approving the Community's budget for 1976. I sincerely hope that our two Institutions will continue to maintain on this subject the effective cooperation which alone will permit us to solve the complex problems arising in this field.

To conclude my remarks on this subject I would like to stress that the Council appreciates the great importance of the contribution which the European Parliament can make, in furthering the process of unification, and in the democratic strengthening and development of the Community Institutions. The stimulus and pressure from political and parliamentary forces, channelling and interpreting the demands of all shades of opinion and of the people as a whole, have always been an essential element and inspiration in any major political construction. For this reason the Council must be able to count on forward-looking and realistic support from the European Parliament.

Mr President, in a Community which is advancing step by step towards greater strength, the institutional policy must accompany and be an integral part of the development of the Community, a development which, through the implementation of the measures provided for in the basic treaties, leads to greater unity and richer content, where existing imbalances are reduced and prospects for wide participation, economic progress and social advancement are drawn up.

The experience of the last few years, the worldwide economic and monetary difficulties, lend greater importance to the coordination and compatibility of economic policies, to the achievement of concrete though limited measures to facilitate the integration of our economies, without ignoring what can be achieved in the more specifically monetary sector.

In this field too it would be a mistake to indulge in optimism. I hope, nevertheless, that it will be possible to make progress towards the establishment of a standard basis for VAT, which is an indispensable precondition for the full implementation of the decisions on own resources; and that it will be possible to make progress, with due circumspection, in the programme of tax harmonization on the basis of proposals which the Commission will shortly submit.

Rumor

Finally, following the resolution adopted by Parliament, we will take up once more the study of company law and the statute of the European Company, which we consider an important instrument for implementing the industrial policy and for economic integration in the Community.

A more vast and pressing problem is that of the common agricultural policy. The Council received with great interest the resolution which Parliament adopted during its last part-session. As regards the basic principles of the agricultural policy, there has been, and I have felt this deeply, a long-felt need for a rethinking of Community rules in this sector which is of such great importance to the Community. I intend in this respect to seek and propose a suitable context for studying the modifications necessary to make the agricultural policy more able to meet the present economic and social situation in our countries, eliminating or at least reducing the major drawbacks which have become apparent recently.

As regards social policy, if I may express a point of view particular to my own government, I would like to stress here the necessity to complete and if possible extend the present action programme, by considering the possibility of making greater use of the Social Fund to help lighten the heavy burdens which the present economic crisis is imposing on employment in our countries. And it seems right that the representative of the Italian government should stress the great importance attached to the measures now being studied to help migrant workers.

There is a fifth set of problems, where we begin to enter the field of the Community's external relations, and which concern the closely-linked questions of energy, raw materials and the policy towards the developing countries in general. In all these matters the Nine all feel the need to go forward with a policy not of confrontation but of dialogue, based and hinging on the real differences in economic and social situations which can and must be reconciled. This is a requirement which offers the European Community the chance to play an important role in finding a joint formula which will permit the dialogue to get under way.

Energy is crucial to the Community's development. Energy supplies are a factor which determine economic potential and therefore the whole social and political fabric of our countries. For this very reason the Community, if it is to play an important role in real problems, must play a full role in the energy problem.

In the coming months we will therefore have to make efforts to achieve progress on a common

policy in this field; not in isolation, but in constant agreement with the other major industrialized countries, searching for common interests with the producer countries and the developing countries, whether or not producers of raw materials.

As regards relations with the emergent countries, it can be said that the Community has developed a sensitivity to their problems which is quite particular and original. The clearest example of this was the recent conclusion of the Lomé Convention with 46 African, Caribbean and Pacific countries, with provisions to help those countries, in addition to the system of generalized preferences already in force. The Convention, strengthening the machinery for financial assistance on the one hand and ensuring on the other hand the stabilization of earnings from exports of raw materials, supplies of which must be guaranteed to the consumer countries, introduces new schemes which will certainly constitute a useful point of reference in the complex and full discussions of the problem of raw materials wherever these matters are discussed.

On the question of raw materials, which was also included on the agenda of the Conference of Heads of Government from 16-17 July, it is our intention in the Presidency to speed up work to permit the Community to continue to make its own original contribution in this respect.

On this point and on all other subjects of international importance, the Community should have one great priority: to be able to speak with a single voice. The Community has already recognized this priority in the past. We must now continue on this path, and an opportunity presents itself at the seventh special session of the General Assembly of the United Nations, which the Community will attend, following the guidelines which it will adopt, to bring a constructive and united contribution to the work of that Assembly.

Mr President, these observations bring me to the heart of the matter of external relations, which is one of the great themes of the development of the Community both on the level of Community activities and on that of political cooperation.

On both levels we must not forget that the Community's 'image' will be more effective, the greater the cohesion achieved within the Community by overcoming its structural imbalances and strengthening its Institutions.

The political events which have recently produced decisive changes in the situation in the Mediterranean make new demands on us and give us greater responsibility for drawing up

Rumor

what has been called the Community's 'Mediterranean approach'.

At this moment we are moving towards the conclusion of negotiations with the Maghreb countries and are beginning talks with other countries which asked for special relationships with the Community.

We welcomed the return of democracy in Greece and the request of that country to become a member of the Community. The Council will decide on the time-scale and details of negotiations with Greece on the basis of a reasoned opinion from the Commission, which has already been requested.

The Community is attentively following events in Portugal. We sincerely hope for the development in that country of a free pluralist democracy. Portugal has requested an extension of the free-trade arrangements concluded with the Nine in 1972. A meeting between the Council and the Portuguese representatives decided on in the Council on 24 June will soon be taking place.

Relations with industrialized countries at this stage are being carried on principally in international bodies. These relations are marked by a spirit of cooperation, aimed at balanced dialogue, in particular with the United States, with which the Community and its individual members have relations of friendship, solidarity and alliances which are not merely the result of memories of the past but arise from the present urgent need to strengthen the framework of security and international balance.

An opportunity for the Nine to reaffirm the value of the multilateral policy of détente in our continent arises with the Conferences on Security and Cooperation in Europe which—through the hoped-for achievement of balanced satisfactory solutions to the negotiating problems still outstanding—is entering its final phase.

Particularly at the level of political cooperation, the Community countries, acting in full unison, have made a constructive contribution to progress at the Conference, which has also provided the Community as such with the opportunity to adopt joint positions on questions coming within its sphere of competence as an institution.

As you are aware, multilateral negotiations are under way in GATT, monetary negotiations in the International Monetary Fund and, as I just mentioned, negotiations on energy and raw materials in various other international bodies. I would like to repeat that on each of these subjects, the more the Community can harmonize the interests of its member countries and present a united front, the more authoritat-

ive and credible it will be as a negotiating partner with the allied and friendly countries. I would also like to confirm that the preparation for these negotiations will be pursued in the closest cooperation with the other Institutions of the Community.

On this same question of the Community's image, mention should finally be made of the efforts made by the Nine in recent months to develop the Euro-Arab dialogue, to which we attribute particular importance as an instrument for renewing relations between Europe and the Arab world. The meeting of European and Arab experts in Cairo from 10 to 14 June was the first concrete step in this dialogue, which although not devoid of complexity and difficulty, appears nevertheless to be supported by the awareness of the partners that they are moving in the right direction. The next stage will be a further meeting of European and Arab experts, to be held in Rome towards the end of July.

At the level of bilateral relations in the strict sense, the Community has shown that it is prepared to implement cooperation formulas which, with the agreement of the member countries, can even go beyond mere trade agreements. In this field it is notable that the Community has brought about in the world a certain polarization of relations towards it, from the cooperation agreement requested by Canada to China's desire to send a representative to the Community, from contacts between the Commission and COMECON to the possibility of arranging trade agreements with individual state-trading countries. It will be the duty of the Italian Presidency to advance all these initiatives in the coming months.

Mr President, six months are certainly too short a period in the life of an enterprise so important and complex as the construction of Europe. It is for this reason that, in order to be practical, I have simply mentioned here some sectors of Community activity in which I believe that if everyone works together it will be possible to achieve concrete and substantial progress.

But irrespective of the nature or scope of the action we can take in this short period, it is essential for it to be accompanied and supported by the clear and far-sighted desire to make progress along the road of economic and political integration in Europe. In this respect, the Italian government is convinced that this determination must be directed first of all to reaffirming the priority which must be granted in the construction of Europe to the strengthening of the internal unity of the Community. We consider the development of the Community Institutions precisely as an aspect of this need, and we are aware of the irreplaceable value that these

Rumor

institutional structures have in advancing the idea of unity. We are also aware that it is necessary for the strengthening of the Institutions to be accompanied by both increased cooperation between the Nine, which alone is able to ensure the achievement of the common policies, and greater coordination of national policies, particularly in some essential sectors. It is important, moreover, that the Nine stress their united action in relations with the external world.

In this process of building the Community the European Parliament has a crucial role to play. It has the essential function of expressing the wishes and desires of European public opinion. It has the important task of guaranteeing democratic participation. Aware as I am of the necessity for ever closer cooperation between the Community Institutions, you need have no doubts about my attention to your unique work. In this spirit I will fulfil my duties, hoping that our joint action will contribute to developing a European awareness in our peoples.

(Applause)

President. — Mr President, on behalf of Parliament I thank you for the statement you have made here on taking up your duties as President of the Council of the European Communities, for the European ideal which you expressed, for your understanding of the role and aims of our Parliament, and for the encouragement and hope which this gives us at a particularly important stage in the progress towards European integration and the development of parliamentary democracy in the Communities.

(Applause)

7. Petitions

President. — After examining Petition No 1/75 by Mr Barel, which had been referred to it on 14 May 1975, the Committee on Public Health and the Environment found that the subject of the petition did not fall within its terms of reference.

I have referred this petition to the Legal Affairs Committee.

A delegation from the Union of European Federalists, under the direction of its Secretary-General, Miss Caterina Chizzola, formally submitted to me yesterday a petition signed by several thousand European citizens on the draft constitution establishing a European government.

This petition, which satisfies the conditions set out in Rule 48(1) of the Rules of Procedure,

has been entered under No 5/75 in the register and, as in the case of identical previous petitions, has been referred to the Political Affairs Committee.

8. European Union

President. — The next item is a debate on the report on European Union drawn up by Mr Alfred Bertrand on behalf of the Political Affairs Committee (Doc. 174/75).

I call Mr Bertrand.

Mr Bertrand, rapporteur. — (NL) Mr President, it is not without some emotion that I take the floor at the beginning of this debate in which Parliament is to clarify its conception of European Union so that Mr Tindemans who has been invited by his colleagues to draw up a summary report by the end of this year will be able to do so.

This emotion springs from the fact that I am at present the only Member of this House who had the privilege of participating in 1952 in the Constitutive Assembly of the Coal and Steel Community.

In that Constitutive Assembly I witnessed one of the first steps towards supranational cooperation at European level albeit in a restricted sphere. I also had the opportunity to participate in the *ad hoc* Assembly which drew up the first draft of a constitution for a politically united Europe which we presented to the Member States in March 1953.

I imagine that most of my colleagues are not even aware that such a draft exists, but in it can be found the origins of much that has been put forward by the Court of Justice, the Commission and this Parliament.

This draft was discussed 22 years ago in this very Chamber at an *ad hoc* assembly composed of the Common Assembly of the Coal and Steel Community and representatives of the Council of Europe. It has thus taken this House 22 years to get round to discussing this problem once more. In introducing this report today I find this somewhat poignant, especially as I participated in April 1958 in the transition from the Common Assembly to the European Parliament. Since then I have been able to follow the development of the Assembly, in which I have been personally involved to a great extent.

Another reason for my emotion is that this is the first political debate on European Union conducted in public. Mr Tindemans has paid visits to the various Member States where he

Bertrand

has had talks with the governments and representatives of the people. This has however taken place behind closed doors. Today for the first time he is participating in a public debate on European Union. I hope that this debate will be continued in all Member States, in all political, economic, social and financial circles, so that the people themselves can also consider the matter and that Mr Tindemans will be in a position to submit a summary report to his colleagues which reflects the real demands of the European people and will make political leaders adopt a positive position on the matter.

In the third place I would like to point out that Parliament, by holding this debate today, is responding to the repeated desire of the Heads of Government. At the Hague Conference in 1969, the Paris Conference in October 1972 and the Paris Conference in December 1974 the Heads of Government announced their intention to transform the whole complex of relations between the Member States into a European Union. At the same time they expressed the wish that institutions of the Community should set down on paper their views on this transformation. We are today responding to that request. The Political Affairs Committee of this Parliament has been very active in this matter. For two years it has been studying various documents submitted by its rapporteur in order to evolve the motion for a resolution which is on our agenda today.

This resolution draws attention four times to the fact that this must be a progressive achievement. We can see this in recital No 5. In paragraph 2 we read 'must be brought about progressively'. Paragraph 3 states 'must be progressively widened'. Paragraph 5 stipulates 'through a process of continuous political development'.

These phrases show that the Political Affairs Committee does not expect European Union to be created overnight.

The basis adopted by the Political Affairs Committee has been to submit a motion of a different tenor from the opinion of the European Commission. The Commission has drawn up a very detailed opinion in which it dwells on a number of details which are very important for all those concerned with the problem, but it would have been impossible for Parliament to debate all these points. Parliament would have been bogged down in details and would have been unable to bring out the whole conception in proper political terms.

The Commission's report and the report of the Parliament's Political Affairs Committee amount to a single opinion as far as the basic concept

is concerned without there having been any prior cooperation or consultation. In my view the report of the Political Affairs Committee of the European Parliament is a perfect synthesis of the Commission's report. It is important to underline that the two main Community Institutions of this Community have reached the same conclusions and almost the same proposals without previous concertation.

A third feature to which I would like to draw your attention is that the Political Affairs Committee has divided the motion for a resolution into two parts. I would request my colleagues to avoid confusing the two parts in the forthcoming debate. Paragraphs 1 to 6 of the resolution deal exclusively with the final form of the European Union. In these paragraphs we have stated how, in our opinion, the concept of European Union should be approached and discussed by the Heads of Government.

We begin by saying what we consider the substance of European Political Union should be. For us, European Union can only be a pluralist democracy open to all those who wish to cooperate in the fulfilment of Community expectations. The point of departure of the Political Affairs Committee's resolution is therefore an open pluralistic democratic political union. As a pluralist democratic concept it shall be principally concerned with respect for the freedom and personal dignity of the people. The Commission's request that the protection of the rights of man should be included as one of the targets of European Union thus coincides in essence with our basic views on the substance to be given to European Union.

Secondly European Union—and how often has this not already been said in this House—must be a social union in which social justice must be first and foremost the result of mutual solidarity, not only between the Member States but also between the citizens of the Community, in order to create a socio-economic system to guarantee full employment and make possible the fair distribution of incomes and wealth.

The aim of the European Political Union must also be—and I am happy that the President-in-Office of the Council in his speech today has already drawn attention to this—the creation of a European identity, since only with a single identity can Europe play an individual role at world level in the discussions on détente and peace which are aimed at solving all the differences in the world.

The lack of this single identity has unfortunately been our weakness in all the differences in the Far East and the Middle East and the territory around the Mediterranean. Since the Community

Bertrand

has no single identity we have not been able to play the role in these disputes which could normally be expected of a European political Community at world level.

Mr President, having thus explained the basic substance of European Political Union, I would like to point out that we now have to work towards an intensification of the existing Treaties as Mr Rumor stated in his address. Through this intensification we must then work out new tasks and ways and means of providing an answer to Mr Tindemans' question: what can we do together?

Together we shall be able to achieve everything the Member States cannot achieve on their own. That is clear. This must be our starting point.

In paragraph 3 we list a number of sectors in which, in our opinion, the Member States no longer act independently. We also say that the responsibilities of the Union must be progressively widened. The Political Affairs Committee is therefore not asking that everything should be done at once.

The first sector we mention is foreign policy. We subscribe to the view that foreign policy is one of the elements that must be included from the outset at EEC level in European Union. For this the existing coordination procedures must be expanded and strengthened. I shall return to that point in a moment.

The next sector is security policy. Personally I would rather have excluded security policy from this list but the Political Affairs Committee was not of the same mind and the rapporteur therefore has to accept the decision of the majority. I believe that it is enough to mention foreign policy. Foreign policy is not feasible without defence policy. For this reason it was not necessary to mention security policy explicitly but my committee wished it otherwise.

The Member States can also no longer operate independently in respect of economic and monetary policy. Everyone knows that at present the Member States are no longer able to counter inflation and unemployment by themselves. The conclusion is therefore that these problems can only be solved by a Community effort.

I would like also to mention the social and regional policies. I shall not go into these any deeper but it is clear that these sectors are an essential part of European Union.

The Commission devotes a dozen paragraphs in its report to the Community budgetary policy. I fully subscribe to what they write.

Finally I would like to mention the energy policy and the policy on supplies of raw materials and the scientific and technical research policy. These are sectors in which the Member States, in the view of the Political Affairs Committee, can no longer act independently.

There are still a number of other sectors which will no doubt be mentioned in the amendments. I am thinking here of the education sector, the environment sector, cultural policy etc. However, in these cases the Member States can still for the most part act independently. I believe that if we strive for perfection the whole thing will be watered down. This is why we have confined ourselves to listing the seven sectors I have just mentioned.

Mr President, our British colleagues have been debating for some months at domestic level the alleged infringement of sovereign rights. I would like to point out that on Page 6 at the end of paragraph 3 of the motion for a resolution we find the words 'The Union must exercise its responsibilities on the basis of the joint exercise of sovereignty'.

The transition from the system of national competences which we can no longer exercise in isolation, to a European Union represents an expansion of sovereign rights and not interference with them! In future we shall all be able to determine together in complete sovereignty, what the European currency is to be and to what extent we shall guarantee its stability. Together the Nine will soon be able to determine what central body is to ensure that monetary stability prevails once again in the Community. Anyone who cannot or will not participate in this decision-making process will be limiting his sovereignty and be subject to the provisions which the rest of the Community establishes. I would like to draw your attention to this as it seems to me to be important.

The second part of the resolution deals with the institutional structure. Here I would request you to follow closely the train of thought of the Political Affairs Committee.

Experience has shown that the present institutional structure is not adequate and from both a legal and practical point of view does not dispose of sufficient resources. With the present system of decision-making in stages, in which the Commission has the right of initiative and the Council the right of decision on Commission proposals, the Community would no longer be able to fulfil its task and follow a normal development once its powers were expanded.

If European Union is to have real meaning it must be placed under the leadership of a deci-

Bertrand

sion-making body with governmental authority independent of national governments and politically accountable to a democratic, freely and directly elected Parliament.

If we state that the decision-making body must be a European government independent of national governments and accountable to the European Parliament we immediately face the question of what happens to the legitimate interests of Member States in this European conception?

We therefore support the system that is also proposed by the Commission although we have not indicated this so explicitly in our motion for a resolution. This system is based on a two-chamber system in which one chamber is directly elected by the peoples of the Community and enjoys the powers of democratic control, budgetary control, and parliamentary legislative power as the representatives of the people. There must also be a body to look after the interests of Member States in legislative decision-making, and to exercise control on the European Government. In our concept, however, the directly elected parliament must have the last word on control, the budget and legislation.

Finally there must also be a European Court of Justice, an economic and social consultative body and a European Court of Auditors. An amendment to this effect has indeed been tabled.

After dealing with these three aspects—the substance, powers and institutional structure—we state that we must progress from a Community to a Union on the basis of a unitary organization. If there is no unitary organization it will be impossible to attain the goal of this European Union.

Mr President I now come to the second part of the motion for a resolution, which is completely independent of the first: what should be done until such time as the Heads of Government decide to transform the Community into the European Union, to demonstrate that the Heads of Government have a genuine political desire to create such a Union.

I was very pleased to note that Mr Rumor said in his address just now that the Community is serious about the decision to have direct elections to the European Parliament.

The Political Affairs Committee believes that the real political desire to create European Union will only be demonstrated if it is decided that there should be direct elections to the European Parliament by 1978 at the latest.

If this does not happen I will no longer believe in the political resolution of the Heads of

Government to create a European Union. A directly elected European Parliament would be a catalyst which would activate the European people and set the whole system of Community Institutions in motion. At the same time it should acquire the necessary powers to set this development in train.

It would be a good thing if our friends from the United Kingdom could exert pressure on their Prime Minister and their Minister of Foreign Affairs to relinquish their objections to direct general elections during the next meeting of the Council on 16 and 17 July in order to allow the Council to make an immediate start on considering the draft convention which was approved by this House in January this year. This would make it possible to prepare the direct general elections, form parties and work out party programmes etc, etc.

I would point out to our colleagues from the United Kingdom that Mr Wilson stated at the Summit Conference of 1974 that Great Britain would not prevent the other Member States but that the United Kingdom could not yet adopt a position on this matter since the British Government first wished to consider the results of renegotiation and also to consult the people on the matter. Now the renegotiations are over and the British people has given its opinion. I therefore fail to see why reservations should still be maintained on 16 and 17 July. I appeal to our British colleagues to make this clear to their government, so that it does not once again lag behind its own people. The British people taught their political leaders a lesson in the referendum. They showed more wisdom than many of their own country's politicians. I hope that this situation will not arise a second time.

In paragraph 8 the Commission is requested to submit in 1976 an overall programme of priority action which will enable the main aims of the Community policies in the various sectors to be achieved before the end of the present decade.

In paragraph 10 we point out the links between Economic and Monetary Union and European Union. Economic and Monetary Union has never been in doubt, not even at the Summit Conference of December 1974. The creation of this Union is one of the main aims. We know that these links exist but we do not accept that interdependence should be such that, if there are difficulties in one sphere, work in the other sphere will also stop. The need for parallel development cannot be a justification for blocking development in one sphere if there are difficulties in the other.

In my opinion paragraph 11 is the most important for the transitional period. We believe that

Bertrand

we have found a formula which will enable us, without amending the Treaties, and on the basis of Article 235 and a gentlemen's agreement, to bring about a genuine improvement in the decision-making procedure.

This is the reason for our proposal in Paragraph 11(a) that the Council should in future decide by a qualified majority, in accordance with the provisions of the Treaty of Rome, in those cases in which unanimity is not stipulated. This will expedite the Council's decision-making procedure. We also propose that the Council, wherever possible, should meet in public in its legislative capacity; this openness is a feature of every democracy.

In paragraph 11(b) we express the wish that the Council's Secretariat should in future look after all multilateral relations between the States so that the Committee of Permanent Representatives and the Committee of the Heads of Political Departments can be abolished and the desire for a political secretariat will disappear. The Council Secretariat will then prepare both the work of the Council of Ministers and the work connected with political cooperation; in this way the Community and inter-governmental procedures will be simplified and brought into closer contact to create greater cohesion. This is the significance of Paragraph 11(b).

Under (c) we suggest, as Professor Vedel recommended in his earlier report drawn up at the request of the Commission, that the Commission should draw up draft proposals to be submitted simultaneously to the Council and the Parliament. I know full well that the Treaty stipulates that the Commission should only forward its proposals to the Council and that it was also agreed that the Council rather than the Commission should consult Parliament. This procedure is in accordance with the provisions of the Treaty of Rome. At the same time I do not believe that we shall be in conflict with the Treaty if we ask the Commission to submit its proposals simultaneously to the Council and the Parliament.

The Council will then have to accept a gentlemen's agreement that it should not take decisions before receiving the opinions of the European Parliament. The Commission should make more use of the facility allowed under Article 149, second paragraph, to include the Parliament's proposed amendments in its original proposal and to submit the proposal in that form to the Council.

We then propose a procedure of consultation between the Council and the Parliament on financial and legislative decisions. Such a procedure already functions for the budget, perhaps

not as well as we had hoped but at least well enough to justify the proposal that this form of consultation should be extended to the legislative area if the Council wishes to make substantial changes to Parliament's proposals.

Finally, we propose that Parliament should be fully involved in work concerning political cooperation and in all the procedures for coordination and consultation between the Member States.

All these things refer to the period before the creation of the European Union. We also hope that in this period Parliament will be able to participate in the appointment of members of the Commission.

Mr President, I come now to the end of my introduction to the report. This has perhaps been somewhat long but I believed it would be a good thing to explain fully the substance and background of the motion for a resolution to my colleagues. I would repeat that we do not ask that a whole army of institutions should be immediately ready to operate for European Union. We ask that a decision should be taken on the content of European Union, and on what powers it should have immediately and in the long-term. And we hope that when the European Union is created the requisite institutions will be available.

We express the wish that at that moment the government, the chosen Parliament and the other bodies should be able to operate immediately. This is nothing revolutionary since, when the European Economic Community started in 1958, the Commission, the Parliament and the Council were ready to operate and guarantee the implementation of the Treaty of Rome.

We now request the same for the European Union, since this will otherwise be neither feasible nor credible.

I would like to conclude by saying that this debate is taking place at a time when the results have been made known of a scientifically conducted opinion poll in the Member States. This is perhaps a lucky coincidence.

I would like to inform the Representatives here in this House of the result: of the 9 500 citizens of the Community asked to give an opinion, 87% were in favour of maintaining the Community, 78% were in favour of direct general elections to the European Parliament and 74% were in favour of the development of the Community into a European Union!

That is the verdict of public opinion, published this week! I hope that we shall not lag behind public opinion in this. This we shall make clear

Bertrand

in this debate and in the vote to be held after it. I myself have the greatest confidence in the result. I would therefore also like to request Parliament to study closely the Commission's carefully prepared report and to give its full support to the motion for a resolution so that Mr Tindemans will know how the European Parliament reacts to the proposals of the Heads of Government.

(Loud applause)

President. — I call Mr Giraud.

Mr Giraud, chairman of the Political Affairs Committee. — (I) Mr President, ladies and gentlemen, whatever this Assembly's judgment on the resolution by Mr Bertrand and whatever the formal or substantial amendments it makes to it, it should first of all be recognized that the work of your Political Affairs Committee as a whole and of its rapporteur, whom I warmly thank, was not easy.

Think of the efforts of collating opinions from individuals, from different groups and nationalities, on a subject where the clear necessity to create Europe is very often, with very few exceptions, in conflict with the inability of the nine governments to act in a European manner, enmeshed as they are in the interests and worries of the moment and therefore inclined, today more than ever before, to subordinate Community action in practice to the requirements of their respective internal political situations.

It is not surprising, Mr President, that in this climate the goodwill of our colleagues in the Political Affairs Committee had to overcome a widespread scepticism which seemed to raise doubts at a certain point, in spite of the efforts of the rapporteur, about the very possibility of satisfactorily completing our task.

In addition we had to have recourse—thanks to the encouragement and permission of Mr Spénale—to a special procedure for our work which took up two successive weekends and certainly helped to speed up progress and encourage some groups, which had till then been reticent and evasive, to adopt a position at least on essential points.

One advantage resulted from this state of affairs: we did not indulge in empty philosophizing. No concessions were made to fantasy, but many to a gradual and pragmatic attitude; we subordinated everything to the varying capacities—if you will excuse the expression—of the nine governments to reach decisions and take action. Because this is what it is all about: understanding once and for all the role which Europe is called on to play, not merely by the require-

ments of the internal interests of member countries, but by the external demands of balance and peace in the world: to embody in a coherent manner this necessary presence, to give it a vital structure, and make it effective and credible in action.

This is the spirit impregnating the Bertrand resolution which, irrespective of the judgments on individual points, interprets—or I would like to think so—the thoughts and desires of the vast majority of this Parliament, and constitutes, overall—this too I hope—the appropriate answer which the Heads of Government formally requested from the European Parliament and on which Prime Minister Tindemans, the wise man of Europe, will have to reflect.

To become an act of Parliament, the Bertrand report had to take the form of a resolution and, unlike the very worthwhile and welcome reports from the Court of Justice and the Commission of the Communities, Parliament's resolution had to be discussed and decided on in public by this Assembly.

In view, therefore, of the complex nature of this subject, the resolution appears to be, and is, the result of hammering out different points of view which, as I have said, do not coincide completely on everything; it is therefore a synthesis of varying opinions, which can be unified only by reducing every statement to the barest essentials; this was necessary to be able to achieve a reasonable majority on topics which had to be stated explicitly, without compromising what was left implicit, to be deduced, interpreted and specified throughout the debate on European Union, of which today's discussion is only one step and not the final one.

It is not my task to consider in depth the various points of the resolution, much less to attempt a comparative analysis between it and the reports of the Commission of the Communities and of the Court of Justice.

I would simply like to point out—and I have said this also to Mr Bertrand—that in spite of the clear diversity of the three documents (in line, naturally, with the specific nature of the three Institutions) the same logic leads to a single basic conviction: if the present structure of the Community is completely inadequate for transformation to European Union, it is also true that it is absolutely necessary to this end to vitalize the Community as much as possible and to respect and apply the existing treaties in their entirety.

The qualitative leap which is mentioned in many quarters could turn out to be much less difficult and not at all traumatic, as some fear, but only if in the meantime—as Prime Minister Tinde-

Giraud

mans insists—everything which can be done or needs to be done is done. Was it not Prime Minister Tindemans once more who said that in his opinion European Union is not so much an objective to be reached but a process to be developed? Well then, this process could be said to have started already and European Union to be under way—although on a road which is still very long—if some of the motive forces are put into action, as laid down in the Treaties, such as those mentioned in paragraph 7 and paragraph 8 and following Mr Bertrand's resolution.

This resolution obviously does not pretend to be, nor could it be, even in embryo, an act of constitutional importance, but it is, and it is certainly intended to be, an act of great political importance, aimed above all at speeding up the date for the election by universal suffrage of our Parliament, to which in anticipation of its constitutional role, it will then be not only possible, but right and desirable, to present the conclusions of the Tindemans report to give them the logical follow-up that they require.

In expressing to Mr Tindemans—and here I will conclude my remarks, Mr President—our very best wishes for the happy outcome of this great task may I also, as an Italian, extend a cordial welcome and humble respects to the new President of the Council, Mr Mariano Rumor, of whom much is expected by this Parliament, and first and foremost the approval of the Convention on the election of the European Parliament by universal suffrage, adopted by this Assembly last January.

Before concluding, I would like also to extend thanks to all the bodies, associations and even individuals from the various Community countries who sent resolutions, documents and petitions on the subject of European Union, which the Political Affairs Committee has considered carefully. This participation from outside Parliament, from outside the Community Institutions, was a great encouragement which, together with the remarks made by Mr Bertrand at the end of his speech, demonstrate how much public opinion is aware of this matter and anxious to see whether Europe, which we have been waiting for so long, can really be achieved and therefore, whether in history and in the future of the world our civilization can play its role of liberty and progress for all peoples.

(Applause)

President. — The proceedings will now be suspended until 3 p.m.

The House will rise.

(The sitting was suspended at 12.40 p.m. and resumed at 3.5 p.m.)

IN THE CHAIR: MR SPENALE*President*

President. — The sitting is resumed.

The next item is the resumption of the debate on the report on European Union drawn up by Mr Bertrand on behalf of the Political Affairs Committee.

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

Mr Corterier. — *(D)* Mr President, ladies and gentlemen, I should like first of all to express the Socialist Group's sincere thanks to the rapporteur for his excellent work and, above all, for his extremely cooperative attitude in the Political Affairs Committee, as a result of which we now have a draft which should be acceptable to all the groups.

My group is also pleased that this report basically takes the same views as that of the Commission. This shows that when people believe that Europe should draw closer together, and that in doing so it requires institutions and instruments to carry out its policies, they are almost bound to come to the same conclusions.

May I say quite openly that my group's first approach to the debate on this report was one of considerable scepticism. Many of us wondered if, in a time of stagnation and, it must be said, of crisis, which the Community has now been in for some years, this was really the right time to be thinking ahead to 1980 and even beyond. Many recalled the numerous proposals and ideas there had been in the last few years and how many of them—not to say nearly all of them—could not be implemented. Those were not good beginnings.

But there were also other considerations. At least two events of the past few weeks can be looked on as light at the end of the tunnel. I refer particularly to the positive outcome of the British referendum, which is, of course, a matter of great importance to all of us. The other is the return of the French franc to the currency snake, an event which means we are at least justified in no longer regarding ideas of Economic and Monetary Union as completely Utopian. Moreover, the economic crisis which we have experienced in recent years, and which still affects us, has made it plain to all of us that the different European countries can no longer solve their economic problems alone and that all the indications are in favour of union if we wish to cope with these problems more successfully in future.

Cortier

The same applies in the political field, where we have been shocked to recognize how slight Europe's influence in the world has become, even, and indeed particularly, when faced with problems which apply to Europe's close neighbours or even to Europe itself. Here too, all the indications are in favour of political union. In the Socialist Group we all took the view that when the Heads of State or of Government had again given their support to the achievement of political union, we should take them at their word and submit to them concrete proposals on which they would have to give an opinion. All these considerations have led us to make a positive contribution to this report.

I should now like to make a brief comment on the time-limit of 1980 which is referred to again and again. I think it is necessary to make this comment in order to prevent any illusions from arising in public opinion in our different countries. As things stand at the present time, no one of course expects the Union to be fully achieved by 1980. Mr Bertrand acknowledged this this morning. We must settle for a longer period of gradual development through several stages leading to the Union. But the stage reached by 1980 must, if I may say so, be an important objective in itself. What should we expect from this stage? We feel that, above all, two things must be secured by then. What has been achieved by 1980 must be absolutely safe. The danger of a possible collapse of the Community must be definitively abolished. And the right conditions must be created by 1980 for progress towards political federation.

In his report, Mr Bertrand fortunately distinguishes very clearly between what must be done in the period between now and 1980 in preparation for the first important stage of political Union and what must be done thereafter in the transitional stage leading up to the final stage of the European Political Union for which we are asking.

I should now like to make a few comments on the period up to 1980. In the view of my group, the role of the European Parliament is absolutely central here. We welcome the fact that the Commission takes a similar view in its report. The Member States of our Community are held together by the fact that their political and national resolve and action depend on the informed democratic awareness of their peoples. Our fellow citizens in the Member States of the Community expect and require a new supra-national constitution to be initiated and legitimized by the democratic process. A constitution that will create laws which will often take precedence over national law must, even more than any national constitution, guarantee the

order, rights and freedoms on which alone all sovereign decisions and actions must, in our understanding be based. From the point of view of the citizen of the European Communities, the democratic structure of the European Union is therefore the most important concern, the governing principle.

We must, therefore, implement the resolve expressed by the Heads of State or of Government in the communiqués of October 1972 and December 1974. The creation of a single institutional structure within the framework of a European Union can only be the end product of a long development as I have already stated. The Socialist Group is, however, determined to begin this development now. Since the European Union must start from existing realities, it is therefore up to us to ensure that these realities become capable of supporting a supra-national constitution. We must therefore start now, on the basis of existing structures, to undertake institutional improvements. The main stimulus for the transformation and for progress towards European Union will have to come from the European Parliament. It is therefore, up to us to carry out the instructions given by the Paris Summit Conference of December 1974 on direct elections as soon as possible.

We must, however, ensure that the European Parliament gets not only direct elections but also real political powers.

My group takes the view that the two things are inseparable. We feel that it would be unthinkable for a merely consultative Assembly—and that is what the European Parliament has essentially been until now—to be directly elected by the peoples of Europe. We could not contemplate asking the people of Europe to elect a Parliament which in fact had no decisive influence on European politics.

(Applause)

In direct and inseparable connection with the matter of direct elections therefore, every effort must be made to secure the enlargement of the powers of this Parliament. This will be the major task of the coming years. In the particular matter of direct elections, I should like to ask for two things on behalf of my group.

We expect the reservations made by the British and Danish Governments in the Paris communiqué to be withdrawn as quickly as possible following the positive outcome of the British referendum. We feel that a good opportunity for this would be at the next meeting of the European Council on 16 and 17 July.

We then ask that the Patijn report, which we adopted in January this year, be adopted as

Cortier

quickly as possible by the Council. For the problem of direct elections is that they will require very tedious preparations at European and national level. The Convention will have to be ratified by all nine Member States and there will then have to be national implementing legislation.

This will all take time. A great deal of time. This means that the opponents of direct election will have more points of attack than any of us would like. Their simplest strategy will be not to work fast enough and thus torpedo the technical requirements for holding the elections. It is therefore up to all of us to urge the Council and each of our Member governments to hurry. The Council's decision on direct elections must, at all events, be taken before the end of 1976. Otherwise it will not be possible to keep to the timetable intended.

I should like to make a brief comment on the transition period and on the changes in the Council we have asked for during this period. I feel that the decisive matter here is the right of veto. This right of veto has arisen owing to traditional thinking in narrow national terms. It has been shown that notwithstanding all the other difficulties of European integration, the right of veto has been basically the biggest obstacle to the unification of Europe. In addition to asking that the Community be put on a democratic footing and its decision-making process made more efficient, we also ask that the Council should meet in public in its legislative capacity and that the principle of majority decision-making be reintroduced. We feel that the abolition of the right of veto and a return to what is laid down in the Treaties will be one of the decisive preconditions for the achievement of political union.

I should now like to make a few comments on the final stage of the European Union as dealt with in Mr Bertrand's report. What is involved in the necessary reorganization of the Institutions of the European Union in this final stage? We shall have to rely on some traditional national forms of organization, including, in particular, the distinction between the executive and legislative bodies. But this system cannot be taken over entirely. The European Union must be understood as a construction in its own right. The institutions of the Political Union will retain certain traditional aspects but will also contain federal elements of a new type. This will guarantee that the special characteristics of the components of the Political Union, and those of the partner states which it unites, will be maintained.

I should like to avoid at this stage going into details of what we shall require of the Institu-

tions in this final stage. I wish simply to say in a few sentences that in this final stage Parliament must naturally be an equal partner in its legislating capacity, have its own right of initiative and that the Commission must be responsible to it.

The European Government, or independent decision-making centre, as it is called in Mr Bertrand's report, must have its own planning, decision-making and executive powers in all matters which fall within the terms of reference of the European Union. It is also important, in our view, that above all, this decision-making centre, this European Government, should be quite clearly responsible to Parliament.

We also take the view that there should be a body in this European Union in which the rights of the Member States will be taken into account. We therefore propose in this connection that the rather unclear wording of paragraph 4 of the motion for a resolution in Mr Bertrand's report be changed. We have tabled an amendment to this effect.

Before I conclude, Mr President, I should like to make a brief observation on the list of responsibilities of the European Union laid down in Mr Bertrand's report. We accept that only the most important responsibilities are involved here and that the report does not contain a definitive and comprehensive list. In committee, we reached agreement on most of the points on this list immediately. But two points which caused difficulties between the political groups and—I wish to say so quite frankly—within my own group were foreign policy and security policy.

I should like to make a very brief observation on behalf of the majority of my group on these two points. It is unacceptable to our group that the Union should have only approximately the same responsibilities in foreign policy as the Community has in its present form, namely responsibility for foreign trade policy.

We also feel that what has been done so far in the field of European political cooperation is by no means sufficient. Of course, there have been some good initial results already. This morning, we discussed the CSCE. That is a good example of what it has already been possible to achieve in terms of European political cooperation. But in the European Union, much more must be done in this sector. In the Union, the common external policy must not be the exception, the one that agreement is reached on from time to time when it happens to suit everybody; in the Union, the common foreign policy must be the rule. This is a very basic requirement. In the Union, the artificial barriers between Community policy

Cortier

and European political cooperation must come down.

I should like to add a few words on security policy. We should, I believe, be prepared to accept that, for example, the Irish Members in my group have reservations in view of the traditional neutrality of their country and that Danish and Dutch Members give priority to NATO as opposed to European cooperation in this field. But the majority of my group agrees with Willy Brandt's statement that a European Political Union which is worthy of the name should also have a common security policy. I believe that here the Commission has made very good and thought-provoking proposals, both with regard to the Union's potential competence, which I believe should enable even the doubters to agree at least initially on this formula, and with regard to what it has said about armament policy. I should like to raise just one question: should we continue, as in the past, to go on wasting thousands of millions every year on each country carrying out a separate armaments policy or should we not demand more cooperation at European level, at least now that we are looking ahead to the Union and to the future?

Ladies and gentlemen, I do not need to stress that our group feels that this list of responsibilities is of particular importance. I should like only to say that in our opinion there has almost never been enough progress in the past and that, in the context of the Union, we are particularly concerned about this aspect, and, as the strongest group, now that the Labour Party members have joined us, we shall throw our whole weight into the balance.

In conclusion, Mr President, I should like to note that, as Ralf Dahrendorf once said, we are involved in creating the third Europe. The creation of the first and second Europe, the ECSC and the European Economic Community, demanded strong political resolve and a common readiness to act boldly. The road to Political Union makes the same demands on us.

To overcome the present stagnation in the growth of the Community we should draw on the positive experience of past cooperation and the successes achieved so far and make a determined effort to prevent the Community from falling apart. Aware of the difficulties involved in the integration of Europe and knowing that we are still threatened by the danger of collapse, we must take every opportunity for common action, and for finding common solutions to the problems which concern us all, so that we can coordinate our political thinking and action. Let us all get down to the task together, so that the European Union does not remain the ghost of

an idea in a Summit Conference communiqué but becomes a living reality.

(*Applause*)

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

Mr Lückner. — (*D*) Mr President, if the oft-heard thesis that the European Union, the political goal of our endeavours, can only be reached as the result of a wide-ranging political debate, is correct—and I do not doubt its validity—we should certainly welcome the fact that we are continuing this debate in this House today; the European Court of Justice some time ago submitted its proposals for Prime Minister Tindemans' report, sparking off some public debate, and some two weeks ago the Commission—before the European Parliament, and I congratulate you, Mr Ortoli on that—also made its excellent report public, and today it is the turn of Parliament, the only political Institution of the Community that holds its discussions entirely in public. We should debate this subject with all possible objectivity in developing our arguments, making clear and visible the political philosophy of the political groups and parties represented in this Parliament.

It is a good thing, Mr President, that we are able to hold this debate at a time when—or so it seems to me at least—the psychological and political climate is looking a bit better. I do not want to go so far yet as to speak of a real mood of hope. That would certainly be to exaggerate. But we all welcome the glimmer of hope on the political horizon of our Community, especially after the decisions of the European Council last December in Paris, and the entrusting to Prime Minister Tindemans—who has taken the opportunity to play a part in our debate today—with the task of submitting to the Heads of Government before the end of this year a report on the stages and procedures to reach the goal of European Union before the end of this decade. Who could have put it better or more succinctly than the French President at the twenty-fifth anniversary celebration of the beginning of our common European policy on 9 May in the Salle de l'Horloge of the Quai d'Orsay, when he said—and I quote—'We want European Union, and ...we shall achieve it.'

That is a sentence public opinion should not be allowed to forget. It is not only a human and a moral obligation to the founding fathers of the common European policy, but an obligation to the future of our Continent.

To that saying he added another one, which I feel we should keep just as alive in our me-

Lücker

mories: 'The world balance needs European Union.'

That is also true. When I say that, Mr President, I am of course aware—along with many other colleagues in this House, in fact I think with all of them—how far we still have to go on the road to European Union. One need only measure the validity of that goal against the difficult situation confronting us in the Community.

We find, and it was Mr Ortolí who pointed this out when presenting the General Report to this House in February this year, that the world economic crisis and the changes in international relations have obliged our Community, or at least it will seem so to many outside it, to mark time at the moment, not to say experience setbacks and perhaps even regress..

Mr Rumor, you told us this morning what you are committed to. We were pleased to hear that, and we hope that during your presidency of the Council you will be able to achieve what you said this morning—which is not a criticism of your predecessor, who did a great deal for this Community. However, recent developments give us the impression that there is not the necessary amount of solidarity and joint discipline on the part of the member governments. We have found to our sorrow that the Institutions, that is, the organs of this Community, like the instruments available to us, are too weak and that the available means are insufficient to reverse these tendencies to stagnation or dissolution, that is, to ensure the progress of our Community.

Mr Ortolí said in his speech in February to this House that Europe had become more dependent in the last few years. That has become clear with the outbreak of the particular crisis in oil and general raw materials supplies. But it has not only become more dependent, it has also, to the same extent, become more vulnerable. I once said here that I hoped all responsible statesmen in the Member States recognize, when they become aware of their national powerlessness, that no Member State by itself is now in a position to cope with the challenges confronting every Member State at the moment. The conclusion from this, Mr President, can only be that we must win back a greater measure of independence for our Community, for the union of tomorrow, and win back our ability to act, through the unity we are aiming at in the European Union.

Allow me to add—and I am sure that I will not be misunderstood—that it is only through the joint exercise of our so highly valued sovereignty that our national Member States,

as the rapporteur has said in his report, will regain their ability to act and thereby regain their real national sovereignty.

This faces us with two questions that seem to me decisive in our discussion today. The first question is whether the Member States and the governments are prepared not only to proclaim increased integration for practical reasons, but also to implement it with the necessary political will. That is the question at issue. We must get over this hurdle, because that means that we are prepared to take the decisive step from national sovereignty to Community sovereignty. That means common policies, and the risk, but also the opportunity, of a genuine common destiny for our peoples in and with the European Union and its further development for the future.

If that is genuinely accepted, the second question is how the European power that will then be necessary can best and most effectively be organized.

Mr Tindemans, when you submit your report, you will have to find an answer to those two questions. The European Parliament is giving you an answer today in the report of our colleague Mr Bertrand. That is, it is trying to give an answer. The Bertrand report is an excellent document, which my group fully supports in all its part. I should like very sincerely to congratulate Mr Bertrand, not only on the report he has submitted to us, but particularly on the political commitment that has distinguished him over this long period. It is with courage, toughness and conviction that he has put this report through. I was also very satisfied to hear from the speech of Mr Corterier that in this House today, just as in the Political Affairs Committee, we largely agree on the path set out in this motion for a resolution before the European Parliament.

The goal is European Union. I fully agree with Mr Corterier that we need to discuss the goals that lie beyond that. The target has been set: European Union by 1980. I feel, like Mr Corterier, that we should not stick too closely to the figures. If it is a little later than that, that does not mean that Europe will fall apart. The main thing is for us to have the courage and determination to approach that goal step by step, with the intention of reaching it as soon as possible. We shall deal with what comes after that—there has been talk of the United States of Europe—when we have reached the first stage.

What I am concerned to do is make one thing clear: we are frequently reproached with talking about utopias and not realities. I think I agree with all those here whose starting point is that

Lücker

the essence of politics is to adapt the realities of yesterday to tomorrow's conditions of development, and that means changing them. That is an essential characteristic of politics. I should like to say that my impression is that over the last few years we have not said clearly enough what is the real goal of our European politics. I sometimes wonder what would really have happened in 1950 if Jean Monnet and Robert Schuman had not had the courage to say that they wanted to work through the ECSC towards a European federation. Why did Jean Monnet then found his Committee for the United States of Europe? Because people still had enough courage then to set a goal with determination and set to work to achieve it. And how do things look now? I quote President Ortolí. He again found the right word in a recent speech—I think it was also in the Quai d'Orsay—that we, who are too often incapable of genuine ambitions, remember only the words and the ritual observance of the message of Robert Schuman, and forget the constant creative efforts that are possible.

Have we come to the point where vacillation and fear of saying what we want rule us? Does our attitude not discourage public opinion, of which Mr Bertrand said this morning that 87% were in favour of this Europe?

I was very taken with a statement made recently by Mr Tindemans. Everywhere in Europe, he said, the living forces in our society were pressing towards the achievement of European unification, and asking why the governments were so hesitant. The governments should not think they are aiming at something that the people would not accept. No, I think the wish of the peoples goes much further than what we are doing. I therefore urgently ask you, Mr Tindemans, to say to the European peoples in your report what the Heads of Government propose as the goal of our efforts and our endeavours. I think you will find what the fathers of the European Community found: the peoples of Europe followed them; otherwise we would not be sitting here in this House today.

Now, Mr President, if we want this Europe, we must of course say how this Europe ought to look. Allow me to begin by saying that in this process, of course, powers must be transferred from the national to the European level. The special feature of the European Union is in its powers and competences, and they must be sufficient in nature and extent to define a common policy and practise it dynamically, both internally and externally. I am fully in agreement with Mr Corterier here. I do not want to go into details, but I have the same impression that what we in the Political Affairs Committee said

in the Bertrand report only applies to the specific areas we have singled out. They are not all mentioned; there will certainly be something more to be said.

I should like, however, to say something else, and I think that we shall also be in agreement on this, namely that the transfer of powers should take place according to the principle of what is called subsidiarity, because the Member States—as I just said—can no longer carry out alone the tasks facing them today, and would be well advised to take joint advantage of our Community to the benefit of each of them. If, however, these tasks are really to be mastered, the organs of the Union must have the appropriate powers, and that includes direct powers over the decisions to be made, over controls, and over juridical verification, in a separation of powers, and we must have the financial means of action, since otherwise the policy would inevitably dry up. Whoever says yes to this Europe must also logically say yes to the consequences. Our starting point must be—and I again agree with Mr Corterier—that Union law must take precedence over national law. One of the reasons why I am saying this is that in one of our Member States—in this case my own native country—this principle is being disputed in a particular case.

We accept the principle that Union law must take precedence over national law. For that reason we are not advocating a central state, but rather the decentralization of state power, and more than merely intergovernmental cooperation, which we know will not be able to put through this policy of European Union.

I now come to the institutional structure. This must have the function of a governmental political organization, otherwise the whole structure will not bear the load: the legislature, the executive and the judiciary, democratically balanced in the way in which Mr Bertrand had defined, and as Mr Ortolí also said, a pluralist democracy under the rule of law, that is, a separation of powers on the basis of the law. An important factor here is how the demarcation between these powers is to be made. We have not said so in the Bertrand report, but that is a problem that can be solved later. A suitable procedure must be used, so that the founding documents of the European Union can make clear how the powers are to be separated, while the boundaries and also the stages, the rhythm of the development, must always be taken into account.

I claim that the European Parliament should have a decisive say in drawing up these founding documents, and, as the designated representative of the peoples of our Community, it has a duty to do so.

Lücker

In Mr Bertrand's report the organs of the future structure are named: a government with normal governmental functions, a directly elected European Parliament. I need say nothing on that. I am, however, pleased that Mr Corterier has spoken of the organ that is to ensure collaboration of the Member States in the Union's decision-making process. We ought to find a clearer wording for that in the resolution. Our group has worked out a proposed amendment for that. In the Commission report, which I have read, that organ is frequently referred to as the Chamber of States. That is what public opinion also calls it. We are not far off that. We do not want to write it into the draft at the moment—although that is the term we shall probably end up with—because that body, unlike the European Parliament, still has to undergo some internal developments, that would perhaps not be fully realized if the term was so rigidly defined here. But we are in favour of that term as a guideline for later.

We have no reservations regarding the Court of Justice or the Economic and Social Council. There we agree fully.

Mr President, these choices we are making are—and I am saying this along with Mr Corterier—essential preconditions for what was called this morning, I think by Mr Giraud, the qualitative leap that should describe and characterize the stage which leads from the present situation to the situation indicated for the European Union of 1980. Mr President, I should like to close my remarks with that. I shall not say anything about the second stage here and now. Mention will be made of it later by colleagues in my group. All we should like to state here is that we are in full agreement with the proposals in the Bertrand report, and we support them.

Let me say one more thing. Though the road to European Union is still long, none of us has the right to yield to the temptation of doubt and discouragement. We are called on to work tirelessly towards this goal.

I shall close with the remark by the French Prime Minister, Mr Chirac, with which I agree word for word.

He said in one of his recent speeches that the countries of old Europe would go under if, by the end of this century, they could not bring about deep, genuine unity when facing the superpowers and the countries of the Third World.

I am convinced that Prime Minister Chirac was entirely correct in that vision. But that cannot only describe our hopes for the future here, but

should also be a challenge to us all to do what is necessary in good time and with all our force.
(Applause)

President. — I call Lord Gladwyn to speak on behalf of the Liberal and Allies Group.

Lord Gladwyn. — I think that my colleagues will agree that I should begin with a short personal statement: but I assure you, Mr President, that I shall not exceed my 20 minutes, and may get through everything I have to say in a quarter of an hour.

Meeting last Monday evening, the Liberal Members of the House of Commons, who only three days before had been confronted with a painful dilemma, decided that the Liberal cause would best be served, in appallingly difficult circumstances, if I replaced Mr Russell Johnston for the remainder of this session. I think that the reasons for that decision were, first, the desirability of my fulfilling my existing obligations, of which I think my colleagues are well aware, and secondly, that if Mr Johnston were to be the sole Liberal representative in this Assembly, the additional calls on his time might be so great as to endanger his seat. But I have little doubt that, more especially if the whole system of choosing our delegation is revised, as the British Government have now virtually promised, Mr Johnston will be seen again in this House before long, continuing his great fight for the establishment of a genuine and democratic political community, with special reference to the role of the regions, and notably Scotland.

(Applause)

As representing the Liberal and Allies Group, as Vice-President of the Political Affairs Committee, and as the sole remaining British Liberal in this Parliament, I consequently have the honour to support the draft resolution produced after many months—I might almost say years—of patient negotiation on the part of our excellent rapporteur, Mr Alfred Bertrand.

But before deploying the general argument in favour of the resolution passed by the Political Affairs Committee I consider it also to be my duty in a few words to associate myself with, and to add a few other words to, the solemn protest made on Monday by Mr Johnston against the action of both the major parties in the United Kingdom, which though obtaining only about 22 million votes between them at the last general election, as opposed to more than 5 million for the Liberal Party and another million or so for other parties, have arrogated to themselves no fewer than 34 out of the 36 available seats.

Lord Gladwyn

Thus the Liberals, whose enthusiasm for the construction of a valid and democratic European political Community has been constant ever since the war, whose support during the recent achievement of a great majority in favour of Britain's presence in the Community...

(Interruption)

...and whose votes in Parliament on three separate occasions in 1972 secured British ratification of the Treaty of Accession, are reduced to a solitary representative—myself. There can surely be no fair-minded Member of this House who does not feel in his heart that this virtual disfranchisement of millions of the keenest and most European-minded members of our common Community is a violation of elementary democratic principles.

(Protests)

In advancing the main reasons why the Liberal and Allies Group supports the resolution and would like to see it approved with the minimum of amendment, may I also say that the doubts and hesitations which seem to characterize the attitude of both the British Labour and Conservative Parties—I emphasize the word 'Parties' and more particularly, I have no doubt, the former—are in no way shared by the 5 million-odd British Liberals, any more than they are shared, as I believe, by many millions in the ranks of the British Conservative and Labour Parties either.

It must be the hope of all of us that experience of membership of this House will convince some of our Labour friends, whose presence among us we all greatly welcome, of the sheer necessity of working towards a democratic and supra-national entity of some kind. In the meantime, I should go so far as to say—though I do not expect all my colleagues to agree—that in fully supporting the resolution I am speaking for a majority of the British people, or that, if not, I shortly shall be. It may seem odd to some that such an assertion should be made by an elderly British peer, but this fact is simply attributable—for reasons which I have explained—to our extraordinary electoral system. I cannot help it.

(Mixed reactions)

This said, let us consider how best the resolution should be approached and what is likely to happen if it is passed. The first six paragraphs are really a statement of objectives. How far they can be achieved within the time limits suggested naturally depends on the attitude of nine governments and nine parliaments. Nobody would dispute that. Some may therefore doubt whether the time limits will in practice be observed. But what is certain is that if we

want to see a genuinely democratic union of a novel type fully established in the future we must necessarily now subscribe to these objectives in a general way.

How, for instance, can any union function in the absence of any 'decision-making centre'? Even as it is, there is such a centre. It is called the European Council. We must all hope that, more and more, that body—the product of the creative imagination of a great French President—will become responsive to a popular will as manifested in a European Parliament. That is our hope.

As for the phrase 'independent of national governments' which appears in paragraph 4(1) and which may still be unacceptable to some, that simply means that, finally, there can be no national veto on common decisions. Whether such a situation can or will exist in 1980, more particularly, perhaps, in the realm of foreign affairs and defence, is anybody's guess. But that it should in principle exist no convinced European can possibly doubt. It will in any case be observed that nobody who supports the present resolution in a general way is necessarily committed to the establishment, in Western Europe, of a system which will be a sort of replica of, for instance, the American constitution. I must say I very much doubt myself whether even by 1980 France, for instance, will have the same juridical status as California, or the United Kingdom the same status as Pennsylvania or New York. I very much doubt it. The eventual 'government', for example, which is referred to in paragraph 4(1), may prove ultimately to be a projection of the European Council. It may be precisely here that the Member States as such will, as the resolution says, 'participate in the decision-making process'. All this, in any case, is for hammering out in the cut and thrust of democratic debate over the years.

What is more immediately important and relevant, I think, is the section of the resolution contained in paragraphs 7 to 14, for this sets out certain practical and immediate steps which could, so we are assured by the lawyers, be taken without any need to amend or revise any existing treaty, which would of course require ratification by all nine parliaments, with consequent long delays. It is these paragraphs which we must hope will prove to be—and I am glad to see him here—substantially acceptable by Mr Tindemans in his report which he is to submit to the ministers at the end of the year.

The most important of these parliamentary requests—because requests is what they all are—is undoubtedly that for direct elections. No-

Lord Gladwyn

body who has had practical experience of the present system can doubt the desirability, indeed, the necessity, of such reform. Anyway, this Parliament has already passed with great enthusiasm a resolution describing how such elections might take place. I cannot imagine that, with the possible exception of one or two of our latest recruits, there will be any less enthusiasm for the project now than there was last January. Once again I should like to salute—and I am sorry that he is not here—that brilliant young Dutch socialist Schelto Patijn. It is not too much to say that direct elections are the key to all future progress. And I was happy to see that they are now advocated, in principle, by no less a person than Mr Edward Heath.

Pending direct elections, however, it is admittedly asking a good deal of the ministers to agree to the 'requests' made in paragraphs 8 and 9. It is asking them a lot. For it is perhaps doubtful whether the present nominated Parliament will have sufficient weight to persuade the ministers to agree to, as the draft says, 'adopt and respect' any timetable for the achievement of our union by 1980 which is put forward by the Commission with parliamentary approval. Still, there is no harm in the 'request'—and it is, after all only a request—being made, and if Mr Tindemans should see merit in it, so much the better.

The same I think applies to paragraph 10 which is simply an effort to break a vicious circle. Obviously, if we are ever to achieve a political union, there must also be some sort of monetary union. But the latter is admittedly a great hurdle in the way of the former. It may be that some major financial and economic crisis will have to hit all the members of the Community before there is general agreement for its adoption.

Apart from direct elections, it is consequently on paragraph 11 that I believe myself that the greatest importance attaches. This is, as you will see, an ingenious and well-balanced project for improving working relations between the three existing institutions of the Community, namely, the Parliament, the Council of Ministers and the Commission. I need hardly say that it was the product of long discussions in the Political Affairs Committee, including, in that committee, members of the Commission itself. Nor is it a proposal which must necessarily be rejected by the ministers. Why should it be? Indeed, there is, I think, a real prospect that they will accept it. After all, even as things are, the Commission consults the Parliament and its relevant committees before it puts up major legislative proposals to the Council. That is the present

position. In a way, therefore, paragraph 11 merely elaborates and extends procedures already in existence, for example, the concertation procedure, as regards approval of the Community budget. I see, however, that some intelligent amendments have been put down—I think one or two also by the Liberal and Allies Group—in respect of this paragraph, and it may well be that some of them will find general acceptance after a full and constructive debate.

I am coming to the end of my allotted time, but before concluding I must say that I note with some concern that the Socialist Group explicitly, and the European Conservative Group implicitly, apparently seek to eliminate all direct reference to the necessity of harmonizing, along with foreign policy, all policies connected with security and defence. I must say I hope that, on reflection, these groups will not insist on suppressing all allusion to such a harmonization of policies, or at the least not vote against the whole resolution, or even abstain, simply because it contains such a reference. I am encouraged by what Mr Corterier said into believing that at any rate the Socialist Group may not do so. After all, it was only some two years ago that the House, with the full approval I seem to remember of the Socialist Group, approved the famous Mommersteeg resolution which declared effectively that foreign policy could in no wise be dissociated from defence policy, and that is the simple truth. If you really want to harmonize the one, you will be forced by the very logic of things to harmonize the other. I know that our Conservative friends at any rate do not really dispute the truth of what I might almost call an axiom, and that in the blanket phrase which they have circulated they seek not to deny, but rather for the time being as I see it to conceal the issue. But is it not better in such matters to lead public opinion rather than to take refuge behind it? In other words, to call a spade a spade.

This is not exactly my swan song in this Assembly. Political circumstances over which I have no control have decreed that I may have one or two further occasions on which to give practical expression to a philosophy in which, as you know, I have passionately believed for many years. So I end by saying that, as I see it, the passing of this resolution tomorrow by a substantial majority will mark a significant advance towards achieving that European unity which most of us feel in our bones is essential if our various democracies are to survive in an increasingly totalitarian and, it must be said, extremely dangerous world. Of course, such unity will come about only if there is the necessary political will on the part of the govern-

Lord Gladwyn

ments to achieve it. That goes without saying. But it is chiefly up to us, in our various parliaments, to foster that political will.

But even a common will will not prevail without suitable institutions. As I see it, therefore, it is for us to create, if we can, workable institutions which we can hand over to the next generation, who will no doubt use them in ways beyond our present imaginings. It is just not good enough to say that institutions do not matter and that they may be allowed to grow up anyhow. What we can do, in other words, and what I am convinced we shall now do, is to give the younger generation the tools, so that, in their own time and in their own way, they can finish the job.

I therefore formally beg to move, in the name of the Liberal and Allies Group, that the draft resolution now before us should be adopted.

(Applause)

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

Mr Kirk. — You, Mr President, and the House will, I am sure, be relieved to hear that I do not intend to follow Lord Gladwyn by importing British domestic politics into this Chamber this afternoon. The violent partisanship that seems to have descended upon him with advancing years is no doubt of interest psychologically, but it does not seem to add very much to the political light and clarity of the discussion which we are having today, which is of considerable importance.

I want in the short time at my disposal both to comment in general terms on the resolution and to refer to the series of amendments which my group has felt it necessary to table to this resolution, in order, I hope, to show that those amendments are not in any way in conflict with the principle of what is sought to be achieved here, but are mainly designed for clarification and to create what I think is a more practical scheme of advancing towards European Union, which we, certainly in my group, seek.

The real trouble with all discussion about European Union from the very start has been that it has been bedevilled with semantics. The minute one mentions anything to do with the union of Europe, the dread word 'federalism' is used. Some people welcome it with open arms, while others run for cover. I make no secret of the fact that I have been a federalist for all my political life. I believe in a federal Europe, just as I believe in a federal Britain, and always have. That does not alter the fact that I do not think that it will be particularly

easy to obtain, and may very well not be obtained in my lifetime. That does not alter the fact, either, that what I know I mean by 'federalism' may be very different from what others mean by it, including my friend Mr Bertrand, whose excellent report we are discussing today. It is a word that has never been clearly defined, certainly not in the English language. It has always been of interest to me that in the German language, at any rate in the last century, the same word was used — the word 'Bund' — to describe a federation as was used to describe an alliance. The two were regarded at that time as very close together.

I do not think that anybody now—in this House or outside it—could put his hand on his heart and say whether the scheme that is outlined in the first part of this resolution is federal or confederal or unitary which, indeed, is the word used at one point in this resolution and which, in the British concept and in the English language, means the precise opposite of federalism. A unitary state is a centralized state, like mine or like France, and is the precise opposite of a federal state like the Federal Republic of Germany, or the Swiss Confederation, or the United States of America. If I were asked what sort of goal I had at the end of this long and weary pilgrimage I think that my answer would be something like Switzerland — probably the most effective answer that we could hope to find in a continent united by so many cultural, social and economic matters but divided, also, by language, by centuries of tradition and centuries of ingrowing national will.

We have—I do not think that we should underestimate it—formidable obstacles to overcome before we can achieve even a limited advance towards union, and in looking at these formidable obstacles we must ask ourselves not what is the ideal, but what is the best way in which it can be achieved. I suspect that in this field, perhaps more than in any other, there is a danger of the best becoming the enemy of the good and of our failing to achieve what we want to achieve through over-ambition.

It is for that reason that what has always impressed me most about the Community, both before we joined it and since, has been the natural growth of the institutions and, indeed, the policies within that Community. Where it has been necessary to create an institution, or to move into a new field of policy, the Community has been prepared to do so. Where it was over-ambitious—as I suspect it was in the early 1950s, with the proposal for a European Defence Community—the Community was unable to do so.

Kirk

In this field, as well as in many others, I feel that the natural development which requires a European Union will also dictate the way in which that European Union is to come about. That, I think, is the first fundamental point that we must bear in mind.

The second is that no kind of European Union will be either achievable or, in my opinion, desirable, unless it carries with it the full support not just of the governments and the parliaments, but of public opinion in the whole of our nine countries. Mr Bertrand quoted, quite correctly, certain public opinion polls which have been taken throughout the Community and which show a considerable public support for the idea of a European Union, and I accept that that is so. But I believe that if we went into the streets and took a public opinion poll of precise details of some of the proposals in this document we would not, alas, get the same sort of result as that which Mr Bertrand puts forward. I would like it if it were so; I happen to believe that this is what we should be aiming for. I believe, too—I have said this in committee—that we must lead public opinion. That is the duty of members of parliament and political leaders anywhere in the world. But if we lead too fast we get out of sight of the troops behind and disaster can follow.

There is another point that I should make, because there seems to be a slight misunderstanding about it. I rejoiced—as I think nearly every Member in this House rejoiced—at the result of the British referendum, but it would be a very grave error to assume that that was a referendum in favour of a federal Europe, or...

(Applause)

It was a referendum and a massive majority in favour of the Community as it is today. I believe that as we advance naturally and properly along the road towards a European Union we shall be able to bring public opinion with us. But I believe, too, that if we try to go too fast and too far at this stage we may run into considerable difficulties.

That may sound negative but it is not intended to be. It is intended to be a positive and practical contribution to the debate. I put it forward as that, because what I want to achieve and what Mr Bertrand wants to achieve are the same. But I want to make sure that we achieve it, that this time the prize for which we are searching does not slip out of our hands. It is for that reason that we have tabled our amendments.

I shall not go into all 17 of our amendments. Some deal with only minor points. The major

amendments are those to paragraphs 3, 4 and 11 of the document. First, I turn to the amendment to paragraph 3, and perhaps I can reassure Lord Gladwyn on this point. There is nothing in the list to which I and most of my colleagues take particular exception. We have always believed that foreign policy is closely bound up with defence, that the Community must move into foreign policy and that that inevitably means in some way, although it is a long way off, that the Community will be involved to a certain extent in the question of the defence of Europe as well.

Our objection is that the moment one starts putting down a list of functions one either includes too much or not enough. The amendments tabled by various Members seeking to add to or subtract from the list prove my point more effectively even than my own amendment. It is very much better not to try to spell out in specific detail the competences of a Community in the future which, as Mr Bertrand said, will not come about for a considerable time. We are dealing here with long-term aspects, not with something we want to do tomorrow. What is the point, therefore, for the long term, when the situation will be one which we cannot now foresee, of spelling out a long list of functions and competences which a future union might or should control? It is much better to find a phrase, if Mr Tindemans is prepared to adopt it in the report and the European Council at the end of the year is prepared to adopt it, which will cover any or all of the functions proposed here or perhaps totally different functions not mentioned in the report or in the amendments.

Secondly and perhaps even more important, in the pragmatic way in which we have tried to approach these things, we have approached paragraph 4 not in an attempt to wreck it but to make it practical. How at this stage can we spell out that the future single decision-making centre will be independent of national governments? It may be—again, I hope that it will be. But the way in which the Community is developing at the moment suggests that, at any rate for many years to come, the national governments will be very much involved in the process of decision-making even if they are not the only decision-making centre. Lord Gladwyn tried to produce an ingenious formula to show that we could have a single decision-making centre of national governments but independent of national governments. The logic of that proposal defeats me. If national governments are involved, their very nature is such that they are bound to be part of the decision-making process and it in turn is bound to be, to a certain extent at any rate, dependent upon

Kirk

national governments, just as it is today. None of us knows how this will develop and to lay down now that it can only develop in one way is giving a hostage to fortune which is highly dangerous.

We agree entirely with the principle of paragraph 11. What we are not happy about, as I freely admit, is the principle of co-decision between this Parliament and the Council in legislative matters which I understand to be fundamental to our considerations but does not appear explicitly in paragraph 11. Our amendments, perhaps together with the proposals in paragraph 11, would ensure a more effective system of co-decision.

Those are our three basic amendments. I have believed from the start that the only way in which the European Union is likely to develop in an effective way, bringing with it the public opinion of our nine countries, the support of our nine governments and the practical participation of our nine parliaments—who must be involved as well because they have an important role—is if it proceeds by natural growth. The next step is clear. It must be direct elections to the European Parliament. These have been scheduled by the Council to take place in May 1978, and I have not concealed my view that that date is unrealistic.

Nevertheless, the sooner those direct elections can take place the better. But that lays an obligation upon all of us far greater perhaps than we realize. One cannot just say, 'Let there be direct elections' and there are direct elections. They have to be prepared, and not only on a national basis, is laying down the necessary laws to produce them; they have to be prepared on a party basis, because the functionaries in our parties have to understand and know what it is they are to do. They have to be prepared in the consciousness of the electorates, for otherwise they will not work and we will get a farce instead of what should be the first solemn dedication of the peoples of Europe to the ideas contained in this paper.

I hope I have been practical and have not been over-pessimistic. It is in the nature of pessimists like myself to say that we are not pessimists but realists. I hope that my criticisms have been realistic. In general terms, as Mr Bertrand knows from long discussions in the Political Affairs Committee and outside, we support everything he is trying to do. If we have criticisms, it is of the way in which he is trying to do it and our amendments are designed to make that way more effective.

(Applause)

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

Mr de la Malène. — (F) Mr President, ladies and gentlemen, the development, from existing structures, of a confederation of states determined to harmonize their policies and integrate their economies was the objective set five years ago by Mr Georges Pompidou, then President of the French Republic, for European Union, of which he was one of the principal advocates and which the Hague, Paris and Copenhagen Summit Conferences also called for.

The European Progressive Democrats intend to remain faithful to this objective, convinced that the people of Europe can find in such a confederation—provided it is well constructed—a partial solution to the distressing problems posed by developments in the world, in their countries, in their societies and in their civilizations.

However, although Mr Pompidou's words in themselves contain the essence of what is to be done and how it is to be achieved, it would undoubtedly be desirable—and this is the aim of today's debate—to define the objective in greater detail.

I shall try to do this briefly first by dealing with what kind of Europe we wish to build and secondly by discussing the means of achieving this and the stages involved.

As I said a short time ago in this House, we are ambitious for Europe and a cut-price Europe would not offer the people of our countries the solutions they want and have a right to expect; an opportunity would be missed. And there are many ways of building a cut-price Europe, some more blatant than others.

Imagine a Europe whose objectives were purely economic or commercial and which relied for everything else, i.e. the essentials, on the Member States, or external powers. Would that not be a cut-price Europe?

Another example would be a Europe which intended to assume the relevant basic responsibilities, providing itself with the necessary institutions and measures, and thus limiting the activities of the states it consisted of, but which did not succeed in filling the gap it had created, either because the policies it defined amounted only to a derisory lowest common denominator or because its institutions, deprived of popular support, amounted only to a façade completely divorced from reality. Finally, imagine a Europe which wanted to develop an external policy, a form of diplomacy, but which deprived itself of the means of doing so, i.e. of a defence policy. Would that not also be a cut-price Europe?

de la Malène

From time to time in previous years a number of us have opposed or criticized certain steps in the major effort to build Europe. At such times we have thought that there was a considerable risk of deviating from our objectives and that instead of moving towards Europe we were moving towards something else, and instead of replacing the actions of our states with more effective action, we were destroying this action to the sole benefit of an external power.

In those basic fields with a bearing on the independence, existence and freedom of our various communities, Europe must be more than the sum total of its parts, it must make its own contribution, and bring an enrichment, an effectiveness which represents its very justification. To say this is to solve the problem of powers both in principle and on the broadest possible scale.

To set ambitious aims for Europe is, for us, to strive for an independent Europe, mistress of its fate, of its choices and of its policy; a Europe with the means to be entirely independent, i.e. a Europe with an independent external policy and its essential corollary, a defence policy.

The achievement of this ambitious aim will obviously require the appropriate measures, time and gradual progress in stages. This is the second subject about which I want to speak. My comments will be divided into three categories: First Europe must be built on realities, i.e. we must start with the states and from these move towards what we call a confederation, on which I shall say a word in a moment; secondly we must recognize the need for variety in approach and in methods, depending on the subjects and matters dealt with; finally we must accept the principle of progress by stages and simultaneous progress in different fields.

As for building Europe on realities, we want to see a genuine Europe, i.e. a Europe in which decisions are taken for everyone and where these decisions are implemented. It is of course possible to create bodies responsible for defining the choices to be made but at present these choices do not become decisions and cannot be applied until the states have ratified them in some way.

For our peoples it is the states and the governments they have elected which represent the lawful power, the power which can command and which must be obeyed, the power which has at its disposal the necessary officials and the power which, in the last resort, has the means with which to enforce the law.

Can this situation, which is the expression of the feelings of our people, be rapidly transformed? Can the states be transcended? Can there

ever be a European power recognized by everyone and with enough authority to impose its decisions on everyone? Could this power ever have executives with responsibilities for the whole of Europe and the means of constraint to ensure that its decisions were respected and sometimes, perhaps even often, to restore order? We do not think so.

We say this not because we are pleased about it but simply because we want to see a realistic and effective system and not a mere semblance of power which would have more disadvantages than advantages.

As regards the institutions, not even elections by direct universal suffrage will create solidarity. At most they can only play a part in a dynamic process. However, without strong solidarity instinctively felt by everyone, the institutions will be nothing more than illusions and the elections an empty gesture. As I have already said we can only build on feelings and solidarity cannot be conjured up to order. Admittedly, everything possible has to be done to create solidarity but no one has the right to make assumptions about it.

One further word on this important point: we are all aware of the extent to which the real democracies in our world are becoming less and less common and we can all appreciate the threat of authoritarian or technocratic systems. The Europe we want should not bring additional technocratic pressure to bear even if this were involuntary or merely illusory.

Europe should strengthen the power of democracy not reduce it. Hence, we must build on our democratic states which are today's realities and in all probability will for a long time be the realities of the future. The institutions must gradually evolve from and on the basis of these states.

One of our colleagues asked a few days ago what exactly was meant by a confederation of states. I am scarcely a legal expert and I have not the time to make an exhaustive reply today. I will simply say that in a confederation the main elements of power are transferred to the confederal authority via the states which thus represent the main support for the confederation although this in no way prevents the confederal authority from creating common institutions or imposing its own rules of decision. In a federation, on the other hand, a large part of the federal power comes from 'short-circuiting' the states. In the first system the states define or should define common policies on a joint basis; in the second they share this task for the most part with a power whose source is different. This is the distinction we make.

de la Malène

Moving on now to my second point: after building on reality, we must preserve variety of approach. This is already the case with the present system where we have the 'Community approach' with the original structures and the 'cooperation approach' for the main questions of foreign policy.

This pragmatism, which is in keeping with the diversity of the subjects dealt with and with the differences in the situations in our states, must be maintained. It is a prerequisite for progress and should not be shackled by a rigid system of single inflexible and predetermined institutions. It is not by pure chance or because of lack of goodwill that the common foreign policy or rather the efforts to achieve a common foreign policy do not obey the same rules as the Common Agricultural Policy. This is because the methods in each of these sectors are in keeping with the needs and with the scope of those sectors. Once again, this diversity must be maintained. It is a precondition of progress which must continue wherever possible. However, let there be no misunderstanding, although we support pluralism it does not mean that we intend in any way to subordinate the 'community procedure' to an intergovernmental system. This would be contrary to our views and desires.

Thus, if one day we were to set up a political secretariat or any other similar body, there could be no question of this being a Court of Appeal against Community procedures. All opportunities must be seized and all possibilities explored if these are to facilitate progress and if our constant aim is to increase the harmonization of integrated policies and economies. At the same time there should also be more common ground. This already exists but steps should be taken to expand it. The European Councils, as Mr Ortoli has recently testified, allow progress without destroying procedures. Our Assembly, too, is an ideal place for extending this common ground, and we shall progress without difficulty, almost without noticing, from Community procedures to cooperation procedures. Thus, wherever feasible, the methods, structures and decision centres must be improved in any way possible.

After variety of approach comes the need for progress by stages. European Union has always been thought of as a dynamic process. At the outset 1980 was fixed as the first stage. A timetable is a valuable asset, although we should not become obsessive about it.

In my view three periods will be involved: first the period between now and 1980, then the first stage itself and finally the later stages.

Of course, the closer any period is to our own, the more reasonable it is to be exacting and precise.

As regards the period between now and 1980, the European Progressive Democrats believe that the first requirement—and this is basic and fundamental—is that progress in agricultural, economic, monetary, social and energy policies—as Mr Rumor emphasized this morning—should be accompanied by simultaneous progress in the institutions.

There would be no point if by 1980, 1983 or 1985 the institutions, decision-making machinery and cooperation machinery had been strengthened, or direct universal suffrage had been introduced for the election of Parliament, but little or no progress had been made in the above fields. The institutions would at best be illusory and at worst an excuse if they were not constantly supported and backed up by unfailing political goodwill.

The first stage following this period will be meaningless unless in the preceding years progress has been made simultaneously in both policies and institutions, i.e. both in objectives and in the means for achieving these objectives.

If this progress is achieved by 1980-1985 then, once again, Economic and Monetary Union will be achieved if the energy policy is unified. What is essential in our view is that we should know what we shall be able to do by 1985.

In this connection I feel I must say that if we wish to establish a single institutional structure by this date, the mandatory nature of its powers will stand in inverse relationship to the extent of these powers. If procedures of a very strict mandatory nature are required, the powers will necessarily be reduced and vice versa.

Paragraphs 3 and 4 of the Political Affairs Committee's text seem too idealistic, at least for 1984 and 1985, since the decision-making machinery provides for strict enforcement and at the same time the powers extend to the field of defence.

The Commission has a different approach. If I have understood correctly it wants an effective decision-making centre but has a relatively modest approach to the matter of powers. I may have misunderstood. If I have, Mr Ortoli will tell us.

The Group of European Progressive Democrats believes that a choice should be made between the following alternatives: on the one hand preserving a variety of approaches, which might make it possible to achieve more rapid progress in the Community field; on the other, since

sovereignty is difficult to divide, the establishment of a single system with broader powers but with the states playing the most important role.

Any attempt to sketch out possible developments beyond this stage would be totally arbitrary. Who can say what our Europe will be in 1990 or 1995? What nations will belong to it? Portugal, Spain, Austria, Norway? How can we tell? What systems will the people and nations of that time find acceptable? What relations will they have with Eastern Europe? What developments will there be here and in the East? There is a whole range of important questions we could ask in a world where the rule is an ever more rapid rate of change. A maximum of humanity and pragmatism is necessary.

Mr President, this concludes my speech. We are not doctrinaire, nor are we men who fear the future. Much of our hope, not only in the economic sphere but above all in the matter of liberty, independence and democracy lies in a European Europe. Thus, we passionately want to make sure that it has the best possible chance. This is the sole motivation for our present and future activities.

(Applause)

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

Mr Bordu. — *(F)* Mr President, it is essential to bear in mind that Article 2 of the Treaty establishing the EEC (Part 1, Principles) defines the objectives of the European Economic Community as follows:

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

This glance at the Treaty shows that there is a profound gap between the avowed aims and the results obtained, particularly in the economic and social spheres. This does not mean that there has been no progress in production and the forces of production, but it implies that at present, the Europe of the Nine, like the whole of the world's capitalist system, is in a grave crisis with serious implications.

The Europe of social progress is in reality the Europe of austerity. As we have already said,

the result for workers is not even a Europe with good intentions, but a Europe of sacrifice and austerity and this at a time of tremendous scientific and technological progress.

The Bertrand report, the content of which cannot be separated from the other working documents, in our view treats the present period of crisis too lightly. In fact, unemployment is reaching dangerously high levels, inflation persists, the purchasing power of workers is dropping, working conditions are intolerable and standards of living are unacceptable. The situation is such that coping with unemployment is becoming the major social pre-occupation. The Commission itself has said that 1975 will be a year of zero growth throughout the Community. The experts cannot predict better things for the future.

It is in this context that the Nine are trying to activate an integrated 'Europe of tradesmen'. This approach to the Europe of tomorrow may at first sight appear strange.

What are the implications? We here are responsible people and we speak the language of responsible people. We all know that imperialism is facing a new situation in the world and in Europe. This situation is typified by the events in Portugal and Greece, the successes of the Communist Party and the Left in Italy, the considerable progress of the Left in France, and the weakening of Francoism in Spain. This testifies to the end of the capitalist crisis and to democratic progress in the political sense of the term. We are all undoubtedly aware of the views reflecting the anxiety of a number of Heads of State about this political phenomenon.

This is significant inasmuch as imperialism considers itself in a state of alert and is conjuring up with Mr Kissinger and Mr Ford the spectre of the Communist and their allies coming to power in certain countries in Europe. The upsurge in democracy, which reflects a desire for change, liberty and independence is basically unacceptable to big business and its defenders.

Are not accusations against the activities of the CIA made every day in the United States and is there not a strengthening in Western Europe of the authoritarian attitudes to the most basic freedoms and the rights of man?

One wonders what role will be played by the instruments of political union in relation to the rise of the democratic movement. There will without doubt be a hardening of the present tendency to call the freedoms into question and a desire to persist in the attitudes which led to the failure of the 'small Europe' policy.

Bordu

Moreover, in February 1975, Mr Ortoli had to admit that 1974 had seen a lowering of our ambitions and the partial failure of our Institutions.

The present plans indicate that integration must facilitate industrial reorganization, increase production capacity to satisfy external demand and, of course, facilitate the free movement of capital.

They also indicate that it is important above all that profit margins should stop declining in real terms and be progressively restored to a level which would cover the real rates of interest and investment risks. It should be noted in passing that this explains the thinking behind the regional policy. The risks will be borne by the tax-payers.

However, the Marjelis report, with a frankness which is not reflected in the Bertrand report, makes the additional claim that in 1975 real per capita incomes (including social services) will have to increase more slowly than productivity and, in certain circumstances, must even be frozen at their present level.

This statement is the expression of a class policy which makes the appeal to the reason of the social partners obsolete and less and less effective.

Many people regret the lack of popular interest in a Europe controlled by big business, but this indifference is not surprising when such a Europe effectively seems foreign.

Certain western ideologists propose that the people of Western Europe should develop a European awareness, should endow the countries of the EEC with an ideological community. These efforts will be of no avail when agricultural Europe, which has hitherto been the symbol of success for the Common Market, in its turn comes to know the misfortune of all the victims of this policy of over-accumulation of capital in the hands of bankers.

We do not reject the idea of European awareness, but it should not be that of IBM, Krupp or Schneider; it should not be the awareness of the multinational companies which, supported by the states, dominate social life.

The European awareness which we wish to help to develop is the one which shows where the interests of the workers and the people lie, and points the way to a united struggle combining all democratic forces in the quest for democratic change.

Apart from these adverse aspects, there are other ways of looking at the laws of the internationalization of production.

Some people, and we are among them, believe that economically strong nations, which are masters of their fate and deliberate independently on their decisions and commitments make more positive contributions to the joint efforts at cooperation. Nations may or may not have these qualities; they may or may not have the desire to act.

Conversely, however, when a group of nations decides to pursue a common policy, this policy can only guarantee the solidarity of the partners if it reinforces the capabilities of each country in all fields and steps are taken to avoid weakening the importance of certain countries. If this is not done, the common policy inevitably leads to subordination of the small nations in the club of large nations and leaves them under the domination of the large nations.

From this point of view, can we believe that capitalism will be capable of overcoming its contradictions, that it will be capable of acts of generosity, escaping from the profit system which today typifies the disparities in the levels of development of different countries? As you know, something is expected in return for the aid granted by certain countries to others. Business has no time for sentiment and knows how to profit from the difficulties of neighbours. This is illustrated very well by the serious regional disparities resulting from the inadequate returns on capital which is freely moved about from country to country so that the maximum profit can be obtained in the shortest possible time.

This calls for certain observations. Experts regret that the Community spirit is absent unless it serves the interests of the individual countries. The logic of this is undeniable. No one can live indefinitely on hopes; people are disillusioned with the promises of jam tomorrow.

Can national interests be brought into line with interests common to several states? We believe they can. However, we cannot consider this matter without at the same time noticing that there are rules which cannot be transgressed with impunity. Would it not be possible, instead of exorcising the demon of nationalism, to investigate the factors which have been obstacles to the aims of capitalist Europe for so long? Is it reasonable to speak of integration when cooperation has failed? Is it not true that cooperation on the broadest basis is today a perfect vehicle for the flexible expression of the various levels of interest? Can we deliberately ignore certain tendencies, the force and influence of which no-one can deny and which, in a given country, bring together in a single tribute of recognition, the anonymous masses of the

Bordu

peasants, the artisans, the workers, the learned and the artists, the intellectuals, thinkers and men of state, who have created the wealth, power and glory of that country?

The spirit and diversity found in each country must be fully liberated to shape the future of the people and the nations. Is their development not the principal guarantee of the wealth which each one will then be able to bring to the common effort of cooperation? We are far from the situation in which nationalism and the idea of common policies are antagonistic.

We have no absolute convictions on the matter of powers. The parties of the Left in France have drawn up a joint programme which affirms that 'the government will, within the framework of the Common Market, maintain its freedom of action to achieve its political economic and social programme' and that, assessed individually and restricted to the fields falling within the Community's scope, the necessary delegations of power will be decided on by the Member States in their common interests pursuant to Article 235 of the Treaty of Rome.

Another question, which is equally important, has also been raised: the independence of Europe. In our view, this Europe will exist in a democratic and peaceful context.

In February 1975, Mr Ortoli declared before this Parliament that 'Europe is losing control of its future since the number of economic, financial and political decision-making centres outside our Member States and outside our Community is growing apace' and that 'we may be friends (with the United States), we may be allies and we may recognize that we have interests in common. But this must not blind us to reality: to the power of the United States which weighs on our relations; to its willingness to tackle problems which, contrasted with our weakness, our confusion, marks it as a world leader'.

Are the Nine willing to act for an independent Europe in any way other than declarations such as 'the formation of multinational companies is necessary to meet the challenge of American capital.' Far from counteracting the penetration of American monopolies into Western Europe, the creation of the Common Market has stimulated it.

The tone is set for European union by the most determined Heads of State or of Government, or by their representatives, in particular by such significant phrases as 'we refuse to frame the problem in terms of a choice between Atlantic solidarity and European affirmation'. Mr Sauvagnargues also emphasized that there was a powerful common interest in the affirm-

ation of a political Europe, the appearance in Europe of a second decision-making and initiative-taking centre which would give double support to the West as a whole.

Thus, there is no doubt that there is some inclination towards a political Europe in the framework of a desire for independence which, in our view, is equally valid in relation to the West as to the East.

The independence of Europe, as you know, assumes primary importance when it comes to the problem of European defence which, according to the NATO review, is inseparable from American technology.

It is pointless not to face up to reality; we should be honest with ourselves.

In conclusion I appeal on behalf of my group to those who can be called honest Europeans. We must say the same things in our countries and in this Assembly. Everyone must assume his responsibilities and say to his nation: 'this is what we want, this is the Europe we want'.

I personally have heard some colleagues say that the individual states are not ready to accept 'supranationality', which would imply abdication of their sovereignty. Hence a fairly cautious approach has been adopted in the resolution before us, although this caution is less pronounced than Mr Kirk's, which I fully understand at this point in the debate. However, our rapporteur, Mr Bertrand, has not been afraid to put forward his views.

We believe that what we have said will make our attitudes to Europe clear.

For our own part, since the Bertrand report contains elements to which we are opposed and commitments which we know cannot be fulfilled, like the promises of the past, we declare that our group will unanimously vote against the report submitted to us.

(Applause)

President. — I call Mr Ortoli.

Mr Ortoli, President of the Commission. — (F) Mr President, this is not an ordinary debate, since the Commission is not here to defend a proposal or a draft. It is a debate on a report by Parliament on European Union in the presence of Mr Tindemans, who has the task not only of submitting a report, which may be easy to draw up, but also of forming an opinion, which might perhaps be more difficult in terms of the work achieved by the Institutions.

I do not intend to give a detailed account of the Commission's report. The important thing

Ortoli

is the ideas to which we are going to give practical expression: you in your opinion and the Commission in its report.

Another important factor is that we are going to air in public the problems of European Union, i.e., as a number of previous speakers have said, the problems of why and how Europe should be built.

When the Commission undertook to prepare its report it took the view that it should not submit a simple text containing only conclusions. Since we had to make a contribution and open a debate we thought we should explain our thoughts as clearly as possible, give in detail the grounds for our assertions and put forward our arguments and the reasons for which, after considering these arguments, we thought a given approach should be adopted rather than another.

We also wondered about today expressing thoughts on European Union in terms of a major ambition.

Indeed, now that the British referendum is over, has the moment not come to take stock and to look at what we can do between ourselves even though we are faced with immediate and major problems which we must try to solve? This is a legitimate question to ask and I assure you that we gave the matter some thought. We carried our report through to its logical conclusion and gave it its present scope because we tried to submit an overall concept as requested by the Heads of State or of Government.

There is also another reason, which relates to the future of Europe. We believe that the present stage will have to be passed, as regards both powers and institutions, if we wish to achieve a number of common objectives which are well known to us all. The question is whether Europe can, in a world which is beginning to be dominated by confrontation, exercise its legitimate influence, express its identity and defend its prosperity — and by prosperity, I refer also to equality and justice.

Finally, we must be able to keep pace as far as possible with a changing world. Europe in our opinion is a good solution to this problem and we must make further progress.

What is realism in relation to European Union? In my view it does not consist of considering the obstacles, counting the impossibilities and studying what can, or more exactly, what cannot be done.

If this is the form of realism expected from the Commission, we need not have bothered to draw up the report, and you should not be wondering

about European Union. The true realism of the politician takes the form of considering what objectives he thinks are essential and of ascertaining whether these objectives can be achieved. It is this form of courage and, perhaps, boldness we have tried to adopt. We have also tried to be realistic in two other ways.

First, we have not proposed that everything should change overnight. We know that a debate is going to take place. What I expect and what I hope is that this will be a real debate at the end of which we shall know what needs to be done and how to do it.

Secondly, we were not content with simply submitting a report on European Union. We thought that at the same time we should also say as clearly as possible that European Union was not a solution to all the present problems. It is this form of realism that you will find in the letter preceding the document we submitted and in Chapter 4 of our report where we speak of a number of immediate requirements. It would be wrong to think that we could solve our problems by moving forward into the future in an attempt to escape. In Europe today we are taking two simultaneous gambles.

European Union is a gamble on achievement, a gamble on development — in short a very difficult gamble. But in the face of all our problems today, we are taking a gamble on existence itself. As a result we must ask you not to use the debate on European Union as an excuse to forget the immediate problems. Starting from the Europe we have already built, we should make every effort to meet a challenge, a challenge which is common to us all.

Are we really 'realistic'? Are we really doing what we should be in highlighting the problems of European Union at a time when we also have to put forward proposals for solutions to immediate and even vital problems?

None of us has the right to think too much about the future while forgetting the present. We did not think that deliberations on the future should be contradictory to the requirements of the present. On the contrary, such deliberations shed light on a number of actions we could undertake. We should not think that deliberation on the future will prevent us from working together immediately. We should look neither for a breathing space nor for an escape into the future. We must work very hard to solve the problems of the modern world and then give serious thought to what European Union might be.

We could air our opinions on European Union for a long time, but rest assured, there are

Ortoli

some things I will not say because we have tried to base our work on the problems and not on pre-fabricated solutions. We believe that European Union will carry all the more weight if we show that we have raised the right problems and have found the correct solutions on the basis of the data available.

For this reason you will not see anything controversial in the Commission's report, but I hope you will find proposals for solutions to current and future difficulties.

What does defining European Union or any decisive step forward amount to? It must mean speaking about competences, about institutions and about progress.

In the matter of competences, we attached considerable importance to a number of relatively elementary principles, which we listed.

The first of these is that competences should be given to joint institutions in cases where they will best ensure the prosperity and progress of Europe and its influence in the world. In other words, these competences must represent a response to real problems. Europe should not try to deal with everything; it should not thwart legitimate developments at national or even regional and local level. It must intervene when its competences can best be exercised in the framework of common institutions. This is the principle of subsidiarity which, in plainer terms, means that the powers taken should be those that can best be exercised.

Secondly, we believe that Europe should have a single institution. I would say to Mr de la Malène that I do not want any separation between political cooperation and the Community Institutions and that even when we are speaking of institutional unity this does not mean that there is always unity in the methods used or that the rules are necessarily the same.

Although our report suggests that the duties should be carried out by a single entity we have also introduced the idea of flexibility without which, in our opinion, we will not be able to build Europe.

This will allow us to preserve the necessary unity and to avoid pointless contradictions in an activity which possesses profound unity. I do not know what distinction will be drawn between external policy and part of our economic activities outside the Community but I can quite see that the techniques will sometimes differ. We shall act in one way when politics in the widest sense of the term are involved, and in another when economics, for example, commercial management, are involved. What we

want to avoid is pointless contradiction at institutional level.

The principle of legal unity is one to which we attach very much importance. We believe that European Union should not simply be a sum total of special agreements sometimes involving 9 states sometimes 5 or 6 and sometimes 3 or 4. European Union applies to all the Member States, but here again flexibility is necessary. New developments might interfere with our work and as a result our actions may be modified, for example at regional level, to take account of changing circumstances which an individual state might also experience. Even with legal unity it would be able to modify its actions.

As a result, we believe that a single organization is necessary and that a number of competences will have to be defined.

First, we have the exclusive competences of the Union. These will be similar to existing Community powers, for example, in the field of commercial policy. Then there will be concurrent competences, which the Union will exercise on an individual basis when the Union can provide the best solution, i.e. when the principle of quality I mentioned a moment ago is brought to bear.

The third field which we mentioned very clearly in our report and which is already outlined in the present Treaties is the matter of potential competences.

What is the distinction between concurrent and potential competences?

Potential competences are those which we decide not to use for a certain time although we make provision for them in the Union; before they can be exercised, a relatively formal decision is necessary. Concurrent competences may consist of adopting a major or secondary regulation in a given field. The major field under potential competences is defence. The Union must recognize now that if it achieves its aims a number of fields will necessarily form part of its responsibilities when it is completed but it must also be realized that it is not yet possible to assume these responsibilities.

These, briefly, are our views on the matter of competences. Flexibility, however, should be the watchword. The Union should do only what is essential to fulfil its objectives. It should not look to the Community regulation as an essential instrument but must retain the idea of the directive, which gives scope for individuality and diversity, the means of adhering to a general guideline in keeping with the views of our

Ortoli

countries. This is a very important instrument. Cooperation, which we do not wish to over-emphasize, must also be retained as one of the instruments to be used in certain cases. Here again flexibility is required in the activities which we shall pursue together over the next few years.

We have now given a definition of the competences of the Union but what form should these competences take? The economic and monetary objectives already set should not be changed. After all, when texts have been drawn up to say that Monetary Union will be established what else is there to do?

However, more powerful measures for achieving these objectives should be developed, in some cases by enlisting national policies and in others by implementing certain measures peculiar to the Union and permitting it to achieve its objectives. As regards Monetary Union, for example, we must develop a number of common measures which will form the basis of a system of reserves and a central banking system in the Community. In my view we should continue with the present Community exchange system but we could also quietly introduce a second system, that of parallel currencies, which will develop gradually as the opportunities arise and which will in time make it possible for us to achieve better monetary integration.

As regards the budget, we must progress beyond the present stage and make it an instrument of structural policy so that Europe is not tempted to concern itself with all the details, and is not obliged to have civil servants everywhere, which would be a profound mistake in the Europe we should be thinking of. We must develop a final and complete system guaranteeing internal stability in Europe. We must also pursue a structural policy bolder than the one we have today. These are competences in which considerable progress should be made.

We have not forgotten social problems, which are one of the priorities for European action. Social protection should not be organized on an entirely joint basis but harmonized at a minimum level guaranteed for all citizens in all the Member States.

As regards foreign policy, there is no doubt that a European External policy will have to develop gradually within the Union. You will notice how careful we have been in this chapter of our report. Certain ways are already open to us which, in a stronger Union, will provide a basis for further progress.

Cooperation with the developing countries will gradually become one of the fields in which

we can make useful achievements for Europe together but without excluding national policies, provided these are not contradictory with our joint activities.

A word on the very delicate matter of defence. Our point of view is very straightforward. We do not believe that we can today decide on a common defence policy, because the conditions are not yet right. It would be pointless to delude ourselves on this; we lack the political integration, economic integration, institutional power, and perhaps the vision to allow us to achieve a common defence policy. In a world where there is an increasing tendency for dialogues to be multilateral, where our strength will increase with the degree to which we present an united front, and where the problems of the Third World are becoming more and more evident, we shall not be able to go as far as we intend unless, at a given time, we work together on our security problems. We shall not achieve true economic and monetary integration without also jointly considering problems of security.

We must therefore recognize two facts: we cannot do all we intend to in the process of European Union without raising the matter of security and we cannot yet deal with security problems. It will require positive action, a joint decision by the states, to determine when the time has come to work together in this field.

We have suggested that a start should be made, but here again a cautious one, on a number of common defence problems, because we believe that we should not wait too long before acting in those spheres in which controversy would probably be minimal. At all events we ask that some thought should be given to the matter.

Finally we have tackled a new problem which Mr Bertrand emphasized, namely human rights.

We believe that European Union should be given a dimension very different from that of the European Community today. What we have tried to say is, I think, on the scale of the European ethic, of the far-reaching concept of Europe, of what forms the substance of European democracy. Our basis is a joint one, but it is also a way of making Europe serve its citizens and recognizing a number of basic problems of its citizens not only at national level but also at the level of the new Union.

As regards the institutions, we have proposed a 'qualitative transformation'. I did not completely follow Mr de la Malène's arguments and perhaps mine are not exactly the same as his. In my view we cannot considerably increase competences without having institutional structures which make it possible to exercise these competence

Ortoli

properly. In our institutional structures we have almost reached the limits of what can be done between European states. An executive is not the place for buckpassing. When true powers are exercised, for example in the monetary field, we cannot always be passing the buck. This is not the way to manage a single-entity. We must therefore raise the question of the effectiveness of our executive. I apologize for speaking in these terms but I want to avoid the words and the implications of the words used in political confrontations in which I personally do not believe. Anyone who says that powers must be assigned will say that these powers should be exercised for the good of our people and this requires a strong executive. It also calls for democratic control and a real legislative power, i.e. an organization along the lines of our 'second model', consisting of two chambers, one representing the states.

We suggest there should be a true executive accompanied by a legislative authority, an Assembly, but with the states intervening in the framework of a Committee of Ministers. In a number of cases, their agreement would be required, while in others, as is the case today in agricultural matters, they could reverse decisions that they considered to be relatively poor. If a solution like this is applied, care should be taken to ensure that the legitimate interests of the states are not protected to the detriment of the quality of management. A system paralysed on the pretext of recognizing a reality in which I deeply believe, namely that of the states, will provide no solution to what I was trying to explain a moment ago. Competences are assigned in order that they can be properly exercised and I know no way of doing this other than conferring them on people who are responsible for such powers and who, if necessary, can be penalized.

These are the ideas we attempted to put forward as regards the very difficult problem of the executive. I repeat, the idea of an institutional dialogue between the organization responsible for Community interests and those responsible for national interests is one of the principal concepts in our report.

Third point: moving towards Union.

A moment ago I spoke of a 'qualitative transformation'.

Personally I do not believe that institutional changes can be made by a continual process of adjustment. I do not mean that an institutional system cannot be overhauled from time to time and restored to its original state, which would be one of today's problems. I think that if you

want to exercise more extensive powers, a sturdier system of institutions is necessary. Such a system cannot be obtained by continually changing the present system, which has changed for the worse.

If we decide to establish European Union, we must first decide to create a framework which can be used immediately. The Institutions have been in existence since the Treaty of Rome was signed, but whenever it has come to giving effect to the competences of this Treaty, the process has been gradual and progressive. I refer you back to what I said a moment ago about the way in which we want the division of competences to be considered and about the cautious approach to a number of problems which cannot be dealt with today. By the form we give to the competences and by the principle of the development of policies, we are introducing this progressive and gradual process without which there can be no Europe.

I do not want to express any opinion on whether the Europe we have tried to outline will be the final result or a stage in the building of a more ambitious Europe. Indeed, I do not know which will be the case. We felt that we could not go any further and that we should explain the whole scope of our document. We have given you food for thought. We hope that Parliament will open the debate and that you will learn important lessons as regards the definition of European Union. One thing is certain, Europe can progress in enlightenment. I am happy to witness the proceedings of the first public debate on European Union. We have tried to be bold. I hope the ideas we have submitted to you are logical and in keeping with the real needs of the situation.

(Applause)

President. — I call Mr Tindemans to speak as draftsman of the report on European Union which the Council has asked him to draw up.

Mr Tindemans, member of the Council. — (NL) Mr President, ladies and gentlemen, it gave me great pleasure to accept your President's invitation to attend this sitting here today. I am also pleased to be able to address to you a few words of thanks for the care with which your Assembly has drawn up its report on European political union.

In view of the instructions given to me by the Heads of State or of Government of the European Community at the Summit Conference in Paris in December 1974, I attach great importance to the European Parliament's report. This must be one of the pillars on which I build my

Tindemans

own report which, as you know, is to be based on the reports from the Court of Justice, the Commission and the European Parliament after consulting political leaders, social leaders and leaders of European movements in the Member States.

I would like to pay tribute to the efforts of Mr Bertrand who, as rapporteur for the Political Affairs Committee of the European Parliament, has undoubtedly contributed to the progress of this work. But, in accordance with good parliamentary usage, I would also like to thank everybody who has taken part in this debate. I particularly thank Mr Giraudó, Mr Corterier, Mr Lücker, Lord Gladwyn, Mr Kirk, Mr de la Malène and Mr Bordu, as spokesmen for the different groups and, I believe it is possible to say, as spokesmen for the political family which they represent in the European Parliament. My special thanks go to Mr Ortoli who, as President of the Commission, so brilliantly introduced the Commission's report and, by providing further information on certain points, increased our awareness of the significance of certain chapters of that report.

I consider myself fortunate to be able to spend a day in your midst since I now find it easier to appreciate the feelings of those in this Parliament who interpret the position of the political groupings which they represent.

The European Community has already gone a long way and still has a long way to go. In the past, relations between countries, especially in Europe, were based on agreements between states on cooperation in certain well-defined areas. This system existed for many years—one could even say hundreds of years—and we all know what the result has been. After the Second World War, people sought a new formula to put relations between the European countries on a different basis. The Treaties of Rome and Paris created a new, indeed revolutionary, form of cooperation. An independent institutional system was built up on the basis of a voluntary treaty, with the aim of evolving common policies for Europe.

The resulting Community was something new and special on the international scene: it has direct legal power over the subjects of its Member States, which have transferred part of their powers to the Community Institutions.

Aware of their interdependence, the Member States of the European Community have created a new institutional model on the basis of real solidarity.

This new organization already has many achievements to its name, but, as I mentioned before, there is still a long way to go to attain the

targets we have set ourselves. I believe that the European construction is only half completed. It is our generation's task to complete this construction with determination and imagination.

To this end we must evolve for ourselves a clear picture of what we wish to undertake jointly, of the institutions necessary to do this and the final form of the Europe we are constructing. Mr Ortoli put this differently, but the three main aims remain the same.

It is evident that we can no longer independently solve certain important problems; even if we say that we must leave solutions till later, this does not mean that today's problems no longer exist. The Treaties offer a suitable framework for the solution of many problems, formally for such sectors as agriculture and transport and implicitly for such sectors as economic policy in the broader sense of the word. However, we must now indicate our priorities for the future and what practical action we wish to undertake both in the economic and political sectors.

The problem now before us is, which decision-making process and which institutions will offer the best way of tackling the tasks that we wish to take on jointly. The Treaty is based on an original system in which the legislative and executive functions are exercised in a delicate form of cooperation between the Council and the Commission.

Now we are starting to think about the shape European Union should take, we must review this system and consider whether it is effective enough to exercise Community power.

Recalling our culture, our history and our expectations for the future we ought to establish, indeed we cannot avoid the difficult task of establishing the final picture of the European construction. What is expected of us now is an evocation of the future; European Union offers us a chance to give substance to our joint identity. I am at present conducting consultations in the various Member States on all these problems. I hope that the European Parliament's report will help to provide a clear answer to some of these questions.

(The speaker continued in French)

Mr President, ladies and gentlemen, I came to Strasbourg to listen to you and to ascertain the opinions of the large political groupings represented in the European Parliament.

At the Paris Summit Conference in December 1974, the Heads of State or of Government declared that the election of Parliament by direct universal suffrage, as provided for by the Treaty, should be achieved as soon as possible.

Tindemans

In the meantime, your Assembly has put forward its proposals for a draft convention to be adopted by the Member States with a view to implementing this decision. For my own part, I hope that the governments will make a start as soon as possible on the preparatory discussions leading to the drafting of this convention.

This, in effect, is a decision of major importance for the future construction of Europe. The election of your Assembly by universal suffrage would undoubtedly set the seal on the authority of Community democracy. Such an Assembly would undeniably be in a position to express the desires of the European nations irrevocably committed to a common destiny.

There have been and still are a number of extremely varied political systems in the world. Economic, sociological and geographical factors can all undoubtedly influence the choice of a given system. However, democracy remains the ideal system. Defined as government by the people for the people, it recognizes the importance of the individual and is the most effective means of involving citizens in the exercise of power.

The forms of democracy vary from the direct system to very different types of representative democracy. Since the time of Montesquieu and Hobbes, the most popular system in the West has been representative democracy which generally takes the form of parliamentary democracy. As the expression of the sovereignty of the people, this guarantees respect of the rights and freedoms of the individual.

Admittedly, it is still imperfect in some respects, but secular institutions always have to keep pace with social developments: it is necessary to adapt to these and to find the most appropriate ways of exercising power. The European Parliament has the opportunity to change the face of parliamentary democracy so that it might, for instance, take the form of a democracy of responsibility. The task is admittedly difficult. It presupposes that the representatives of the associated nations will do more than express the legitimate demands of their constituents and take part in the framing of the common policies necessary to the development of the Community as a whole.

Whatever the extent of the powers of this Parliament, the task of its Members would then be to awaken the public to an awareness of the Community. Only an awareness of this kind would give political initiatives the support necessary for their implementation.

Although this is your responsibility, it must not be forgotten that the building of Europe depends to a large extent on the political goodwill of

the governments. Certain recent events have called into question the existence of such goodwill.

For the first time since it was established, the Community is facing the problem of a recession. There is a considerable temptation for the Member States to believe that they can deal with this recession by protectionist measures outside the Community framework. If this temptation became too strong, the Community would be in danger of running into even greater difficulties.

In the same way as we took joint steps to promote expansion, we must jointly adopt the measures necessary to solve as quickly as possible the problem of recession and unemployment. The Treaties contain adequate provisions for such joint action. The states and the governments must clearly express their willingness to make use of these provisions. Only by doing this will the Community regain its internal dynamism and be able to meet the challenge of our time.

This challenge is twofold; on the one hand, it calls for a solution to the serious problems of the modern world, without which we shall not be able to achieve our ideals; on the other, it calls for a vision of the Europe we wish to build.

Parliament, the main function of which is to establish the democratic basis for the European Institutions, must put forward solutions and make sure they are implemented.

History, ladies and gentlemen, will show that you bear the greatest responsibility.

(Loud applause)

President. — Thank you Mr Tindemans for having not only listened to our rapporteurs and the speakers for the political groups, but also for having, as it were, participated in our work and demonstrating the great importance which you attach to the election of this Parliament by universal suffrage by assuring us that in the proposals which you are called upon to formulate you will take maximum account of the views expressed in this debate.

Your approach is therefore not merely an act of courtesy. It is also one of good policy and useful collaboration.

I thank you on behalf of the Assembly.

(Loud applause)

I call Mr Concas, draftsman of the opinion of the Legal Affairs Committee on the problem of defining the powers of the European Union.

Mr Concas. — (I) Mr President, ladies and gentlemen, the Legal Affairs Committee has unanimously approved the opinion which it is my privilege to present, however briefly, within the speaking time allotted to me.

The Legal Affairs Committee's aim was to help to clarify, and thus obviate, some problems which might arise during the implementation of the declaration of intent of the summit meeting in Paris from 19-21 October 1972, and repeated in the following summit meeting of 5-10 December 1974: that is, to transform before the end of the decade, and with the fullest respect for the treaties already signed, the whole complex of the relations of the Member States into a European Union.

The Legal Affairs Committee welcomed these declarations of intent. They must, however, be backed up by a firm political will, demonstrated by the integral and extensive application of the three treaties in force, with no reservation, including the passing of legislation deriving from the treaties.

The Legal Affairs Committee has expressed the opinion that European Union should not be simply a synthesis or a merging of the existing treaties, and therefore posed the problem of what legal instruments should be used to achieve European Union, and what should be the legal relationship of the Community treaties to the union itself.

As regards ways and means of this development and transformation, since European Union will necessarily be achieved by a treaty which will have to be ratified by the Parliaments of the Member States, the Legal Affairs Committee has considered the various possibilities open. There are three: to draw up a new treaty, to take the place of those already in force; to draw up an outline treaty, dealing exclusively with European Union; to revise, amend and supplement the three Treaties in force.

I will very briefly explain the reasons why the committee reached the conclusion that the third method would have to be adopted, that is to say the revision, amendment and additions to the three treaties, and rejected the other two solutions.

The hypothesis of a new treaty, however desirable—since the establishment of European Union would be a completely new step—involves risks, since it would or could necessarily lead to the general renegotiation of clauses or rules, with the danger of calling into question the achievements of the Treaties in force.

The solution of the outline treaty (that is to say a new treaty dealing solely with the estab-

lishment of European Union), which also presents risks, leads inevitably to the situation where the new treaty would not constitute the logical continuation of the development of Community legislation in force and, particularly, would exclude the Communities themselves from sharing in the process of transformation, since it would arise from traditional international law and not from Community law.

For these reasons the committee chose the procedure laid down in Article 236 of the EEC Treaty as the most suitable instrument for transforming the existing Treaties. Apart from the legal necessity of this procedure, it is certain that in this way European Union will arise naturally out of the European Communities, integrating the new provisions right from the start into the existing treaties and thus ensuring the guarantee of constitutional control by each Member State.

But there is another problem, which the Legal Affairs Committee dealt with and which it would like to explain now. That is, the legal consequences of the rule of absolute observance of the Treaties, laid down in the final communiqué of the Paris Summit Conference.

The committee specifically held that this declaration by the Heads of State or Government did not mean in an absolute sense that no modifications could be made to the Community Treaties. The committee was of the firm opinion that what was meant was that the nature of the Community should not be changed or prejudiced or altered in any way. In practice this means that the objectives listed in the preamble and the recitals to the Treaties must remain a fixed requirement which must be maintained in the renewed and extended Community.

On the other problem which it dealt with, the division of powers, the Legal Affairs Committee recognized that the present division of these powers between the Community Institutions was not satisfactory. In the present Community situation there is a contrast between an imperfect power of initiative and a body which discusses behind closed doors and is not in practice subject to any parliamentary control.

Moreover stress should be laid here, if any logical solution is to be found, on the problem arising from the present lack of any binding power in certain Council acts, such as resolutions and general programmes, which very often remain simple declarations of intent or of goodwill.

Therefore the committee has pointed out and points out now that in the new European Union account must be taken of these shortcomings in the present system.

Concas

The committee also dealt with the problems of the improvement of protection of legal rights of citizens of the Community. It would like to mention here that, on the basis of the present Community Treaties, the protection of the fundamental rights of citizens of Member States is not sufficiently well guaranteed; and it wished to refer in particular to the valuable report presented by Mr Jozeau-Marigné, indicating as a potential solution the achievement as soon as possible of European Union on the basis of a Charter of basic rights covering all Community citizens and at the same time obliging Community bodies to preserve these rights.

In this framework, the committee believed, European action should re-affirm and strengthen the political and social rights of citizens, in particular ensuring better treatment as regards the enjoyment of such rights, leading as soon as possible to the placing of all citizens within the Community on an equal legal footing.

Coming quickly to the conclusions so as not to overstep the time limit, I would like to conclude with the wish expressed in the committee's opinion, which states that the difficulties in the way of the development and transformation of the Community should not lead those who believe in European Union to resign themselves to excessive pessimism. There are indeed many reasons for comfort and encouragement, to be found in the progress made by the Community throughout all these years.

We therefore sincerely hope that European Union, which will be a testing ground for the political will of the governments of the Member States, will constitute above all for the peoples of Europe a most important opportunity to participate in the shaping of their future.

(Applause)

IN THE CHAIR: LORD BESSBOROUGH

Vice-President

President. — I call Mr Corona.

Mr Corona. — *(I)* Mr President, ladies and gentlemen, today is or should be a day of great and significant importance for the idea of Europe and for the Institutions which like ours embody this idea.

We have, doubtless, not reached the end of the process, but we are certainly beginning a new phase, a phase of awareness and of public and solemn debate on the political future of our Community. It has not been easy and it will not be easy in the future, and even during the

first speeches many of the calls to realism have seemed more like warnings to leave things as they are.

I believe therefore that it is necessary to repeat the idealistic and political reasons which make substantial and effective progress towards European unity not only desirable but necessary.

It is not a question—this was stressed in a speech by the President of the Commission; it was intimated by the President of the Council, charged by the Heads of State and of Government to gather opinions on this problem—it is not a question, I repeat of running before the wind but of a necessity arising from the very experience of the first twenty-five years of the Community ideal. It is not in order to escape the problems of the present, but to solve them and to provide for them, and for the other problems which will doubtless arise in the near future, an adequate institutional and political framework to help solve them, that we need to develop this integration in an effective political way and not merely on an economic level.

Experience has shown that customs union is not enough, a free trade area is not enough; they are not enough not only because the Treaties themselves specifically go beyond these limits, but because facts have shown that there can be no effective freedom of trade just as there can be no effective customs union if there is not first economic unity. But economic unity (which cannot be an end in itself) cannot be achieved if further progress is not made in the integration of powers among states, that is to say integration in the specifically political realm.

Experience has also shown that the famous '*acquis communautaire*' is never finally consolidated unless it is guaranteed by further progress which, as time goes by, consolidates what has already been achieved; progress which must be transferred from the economic field to the political field, by that qualitative leap which has been repeatedly underlined and which undoubtedly characterizes the beginning of our discussions today. If we limited ourselves to what has been done, if we were realistic to the point of changing nothing, it would be difficult to escape the impression that present problems go beyond the capacity of Europe to solve them and that the united voice which is so often mentioned in reality can only be heard when, as always happens in the life of political communities, the political and institutional instrument is provided for it to express itself.

This is all the more true, in that this necessity, this requirement for political power (so widespread nowadays among those who see no other possible solutions to present problems) has arisen

Corona

specifically out of the crisis which Europe has been going through in its relations with the world.

And here I would like to say that I was amazed to hear people on both sides supporting Europe's independence from the major powers and at the same time putting obstacles in the way of its unity. In politics, independence is always a question of force, of weight, and it would be difficult for the European states to claim independence from the two super-powers which dominate the world scene if there is not a sufficient unifying fabric between European states and therefore sufficient strength to resist pressures from outside.

Moreover, it is a fact that neither of the two super-powers is at present very favourable to European political unity; the only people in favour of this political unity are a long way away and probably wish for the formation of European unity as a rival to one of the two super-powers. In addition, I believe that the pretexts which for a long time prevented the idea of European political integration making decisive steps forward have been dropped. As long as we were faced with 'an empty chair' it was easy to place the burden of responsibility there, even through it is true that, now that that chair has been filled, it does not mean that the difficulties which that political and national attitude raised and continues to raise about the idea of European integration are over.

I must say that some problems have been created by the very process of enlargement of our Community which, at the time we wanted it, was linked to the need to strengthen the Community's spirit and complete the Institutions. However, to all those who raise doubts I would like to reply that as long ago as 1969, the British government signed with the representatives of another country an international and public agreement, stating that the economic and political integration of Europe were interdependent.

Although we must certainly take account of the period of adaptation which a large country like the United Kingdom doubtless needs to come to terms with the reality of the Community, we cannot be certain that the experience of that reality will lead it to the same conclusions which we have gradually and sometimes laboriously reached.

However, I believe that we must also take account of the realities behind certain obstacles to the achievement of political union. It is not by chance that in various political groups in this Assembly, the representatives of small countries have raised objections to this unifying process, to this loss of sovereignty which, sometimes, for

some of them, means a threat to an independence which they have acquired through centuries of struggle. And there is no doubt that in the construction of European Union we must take account of these requirements to ensure that this union adapts itself to national realities; that it does not provide a pretext for suffocating their individuality; that it does not set up within itself varying categories of privileged citizens or states, depending on their economic development or even on their different political importance or the size of their population; let it be a Europe which we have always longed for, fostering peace outside and progress and social justice inside.

I would like to conclude there, Mr President, hoping that the Community (and the Council and the Commission on its behalf) at a time when this debate will put before European public opinion the problem of definitive union between our peoples, will bring to the fore in a more tangible way the progressive and advanced social nature of our Union.

I have been somewhat amazed to hear the voices from the extreme Left which, on European problems, have quite a different sound from those in our country. I would like to say nevertheless that for our own part (that is to say for the Socialist Group in general and for the Italian Socialist Party in particular), the problems of the progress of workers are closely connected with those of furthering European unity at a time when only large areas, large resources allow them to have a voice, an influence, on their own destinies and on those of the world, and at a time when the coalition of interests against the progress of the peoples works at international level, whereas workers have not so far had the institutional instruments to guarantee their rights and the possibility of effective political action.

It is for these reasons, Mr President, that the Socialists in general favour this Union; a Union which will not depart from the reality of Europe as it exists but which will look forward from that reality so that each one of us can face his own responsibilities to the people we have the privilege of representing.

(Applause from the Socialist Group)

President. — I call Mr Klepsch.

Mr Klepsch. — *(D)* Mr President, ladies and gentlemen, Parliament has put forward this report at the right time. And it has couched it realistically. In this report, Parliament has decided in favour of step by step procedures. My group has already stated, through its chairman Mr Lückner, its full agreement with the

Klepsch

report. I should like, however, to stress that Parliament has today not only been doing its homework, but that it has with this report and this discussion to express the will of millions of European citizens who wish the continuance and the culmination of European unification policies.

For us, however, deciding today for proceeding step by step also means that every step that is not taken pushes the Union further into the distance. It means more; it means that this Parliament, as a representative of the peoples of Europe, cannot allow such steps not to be taken. If we think of further development in the direction of a political community dependent on the consensus of its citizens, if we are to decide on the democratization of the decision-making process in the European Union and the greatest possible participation of the individual in policy formation, the consequence is that we must today clearly call for the honouring of one decision of the Heads of Government, namely the holding of direct elections to the European Parliament by the target date. That is the decisive fulcrum, and it can and must—in this I would agree with Leo Tindemans and would particularly thank him for what he has said today—be the decisive leap forwards. Or will anyone seriously maintain that there can be any talk of a democratic basic structure of Europe if a directly elected Parliament was denied the increase in powers that would allow it to become fully functional? Anyone who did that would expose himself to the justified reproach that the question of the democratic structure was threatening to lead up a blind alley.

There is one thing I should like to say with emphasis. We are sick of hearing all these statements about the urgent, immediate, rapid and necessary unification of Europe, to see the historical problem posed, but come up with nothing but hesitation over the smallest steps. The problem seems to us to lie especially in the fact that the small majorities of the governments of our Community keep the room for manoeuvre in home politics too small, without the decisive leap of transferring powers to the Community, so that the decisions required really cannot be taken. We are therefore faced with the danger that democratic control over the powers that already have been transferred is very limited. The national Parliaments can obviously no longer keep that under control. The European Parliament does not yet have the necessary power. We must call for this double step, direct elections and the expansion of powers by the target date, and this House must take that as the touchstone for the will of the Heads of Government.

It is quite clear that the governments have pledged that to the European Parliament. It is also

clear that the current problems that the Bertrand report poses in the second section—whether it is the transcendence of the unanimity principle, the coordination of the work of the secretariats or the questions I have just indicated—are touchstones for us, by which we can recognize whether the steps proposed and welcomed by all have actually been taken.

Mr President, I must keep to the time allotted me. I should therefore like to make just one further closing remark. I am a representative of the young generation which was more or less coming into political life as babes in arms when Adenauer, Schuman and De Gasperi started European unification. I am here today as a representative of political forces whose leadership responsibility is in general in the hands of the young generation. I am pleased to be able to say that we see a chance today of taking a further big step.

I should like to close with a quote from my friend Helmuth Kohl, the chairman of the Christian-Democratic Union, so that we have some modern quotations beside the historical ones. Helmuth Kohl said that we Europeans would meet our internal and external challenges only together, or else each country would go under in its own sovereign way.

We Christian-Democrats think that the Bertrand report, in all its aspects, must become the common position of this Parliament, and that Parliament will only go down in history if it meets the challenge. In that sense, I should like to support the report in all its aspects.

(Applause)

President. — I call Mr Premoli.

Mr Premoli. — *(I)* Mr President, ladies and gentlemen, Mr Bertrand's report seems to me to be the fruit of patient compromise, not only between different groups and political views, but between the attitudes of various nationalities. The report therefore has some positive and some negative elements, and sometimes shows a vagueness and lack of clarity which is precisely the result of such compromise.

The rapporteur's hard work was undoubtedly enormous and therefore on a personal level he must be praised and complimented. But that does not prevent us stressing the shortcomings of the report itself.

I will admit right away that Mr Bertrand's report seems to me timid and somewhat disappointing in content both as regards the long-term objectives and the immediate demands. In fact even in its immediate requests, the report

Premoli

does not avoid the sin of generality since it does not manage to indicate the forms and instruments whereby the famous qualitative leap can be made from the present organization of the Community to a true political union.

It is no secret that the spirit of the treaties of Paris and Rome, especially after the now famous Luxembourg agreement, has been thoroughly betrayed. The European Community is reduced to constant negotiations between nine governments, all seeking to safeguard their particular interests, through ever more laborious and difficult compromises.

In practice, Community decisions are really intergovernmental decisions, achieved through a ritual which more and more resembles international conferences and moves ever further from the Community decision-making process which was intended to stress the originality of the Community structure over traditional international organizations.

Mr Bertrand's report does not offer practical solutions to this situation and attention should be drawn in particular to the timidity with which he attempts to resolve institutional problems arising from Community decision-making procedures by 'adapting' present procedures. It seems to us that this is of no importance and that in any case there is little theoretical or practical effectiveness in proposing—as Mr Bertrand's report does—an organization of Community decision-making processes in accordance with paragraph 11(c) of the report. If this proposal was accepted (and frankly it could well be accepted without difficulty) nothing in the present situation would have been changed: we would continue to have an executive Commission subject to the Council of Ministers and a Parliament vainly searching for a place between the Council and the Commission.

In this same perspective, I am not very impressed by the fact that Mr Bertrand's report—again through timidity—limits itself to providing for the establishment of a conciliation procedure between the Council and Parliament in case of disagreement on the text of a legislative proposal. This paragraph in his resolution calls for three comments.

First of all the argument whereby the conciliation procedure must be established when the Council substantially departs from Parliament's opinion is still too general. The expression 'substantially' can be interpreted differently by Council and Parliament and it is not clear who in such cases is to decide.

Secondly, the motion for a resolution provides for the implementation of the conciliation pro-

cedure in all cases, when we are aware that if this procedure was applied to rules on technical subjects the result would be in practice a blockage in the Council's and Parliament's activities.

Finally—and this is the most important and serious point—it is impossible to understand from Mr Bertrand's report what will happen if the conciliation procedure does not give the hoped-for results. Who will decide in the final analysis, Council or Parliament?

As regards the shortcomings on the institutional level, tribute must be paid to Mr Bertrand for making efforts to prevent Parliament's report on European Union going too deeply into the institutional aspects when as we are all aware Community problems are not only institutional. Mr Bertrand did well, then, to avoid an institutional upheaval which would have given the impression of trying to build a theoretical Europe. Moreover, as experience has shown, institutions are used according to political requirements and can therefore be adapted to all circumstances.

Having said this however, we believe that Mr Bertrand's report goes to the opposite extreme. Although it is true that everything does not depend on the Institutions, it is also true that there must be a coherent and above all operational institutional framework if given objectives are to be achieved. From this report it is not clear what powers are attributed on the one hand to Member States and on the other hand to Community Institutions and within these Institutions where the decision-making centre is based. According to the Bertrand report, a European government should be set up, independent of national governments and responsible to the European Parliament, which, however, 'participates in the legislative power at least on an equal footing'. It is not easy to understand with which other body the European Parliament's legislative powers should be on an equal footing. Certainly not the European government, which is responsible to it. Probably with the European Council, recently set up, a body which however is not mentioned in Mr Bertrand's report. The report does not neglect to stress the dynamic nature of the Community; it recognizes in particular the necessity for progressive extension of the powers of the European Union, while respecting the vital interests of Member States, gradually encompassing both foreign policy and defence policy in general. In this field the European Parliament does not hesitate to adopt prior positions, thanks to the repeated warnings expressed by Lord Gladwyn. May I express in passing my deep bitterness at the extremely unparliamentary expressions used about Lord

Premoli

Gladwyn a short time ago by Mr Kirk, who I am sorry to see is absent from this Chamber.

The Bertrand report stresses that European union can only be achieved progressively, and that is by achieving concrete results in the various economic, social and political sectors which today are suffering great setbacks. This observation is correct and relevant. It is an illusion to believe that a treaty is sufficient to transform the present Community into the European Union. The present Treaties—as Mr Bertrand rightly points out—however indirectly, already offer the possibility of strengthening the various common policies, which are the essential basis of future European Union.

Although these basic observations by Mr Bertrand are completely correct, we feel that the report itself lacks a logical conclusion, that is, the indication of the means needed to escape from the rut in which the Community is now stuck. The Bertrand report does not mention the time scale methods for achieving this Economic and Monetary Union which has been unanimously recognized as the fundamental and essential element in any progress of Community life.

Although in my view these are the shortcomings of the Bertrand report it is right to mention also the positive aspects. Paradoxically, the positive aspect of the report lies in its ineffectiveness. It seems clear to us, and an indication of the state of mind of the rapporteur and of the Political Affairs Committee, that the report has not gone into the various aspects of European Union, and merely makes statements which I believe—I repeat—are too general and very difficult to apply in practice.

In reality the Bertrand report joins in condemning the particularly negative situation which we must have the courage to point out. Speaking of European Union today in practical terms is a condemnation of our previous dilatoriness. We can ask ourselves: what are the encouraging signs which allow us to hope or believe in the possibility of transforming the present Community into a European Union within the next five years? It is in this light, Mr President, in our opinion, that the European Parliament's debate can have significance and political importance. The courage to inform public opinion that Europe cannot be built with plans, projects, ideals, if at the root the political will which alone can permit progress towards integration is missing.

This morning Mr Rumor stressed the necessity for Europe to offer a united front and to strengthen the internal cohesion of the Community.

These are the objectives which must not appear to us as will-of-the-wisps but must constitute for all of us a central political commitment on which the very future of Europe depends.

It is for these reasons that I, supporting the favourable vote of the Liberals, will express my optimism by voting in favour of Mr Bertrand's report.

(*Applause*)

IN THE CHAIR : Mr BERSANI*Vice-President*

President. — I call Sir Derek Walker-Smith.

Sir Derek Walker-Smith. — It is certainly a challenge to powers of compression to say anything significant in a short time on a matter so vast, so complex, as that which is before this Parliament today. The essence of the matter, as I see it, is this. First, there is basic agreement that the Community and its institutions should progress to a more effective expression of those ideals which join us together—liberty and the rule of law, democracy and the rights of the citizen, social justice and economic progress, tolerance and fair dealing between man and man. These are the things which represent the common aspirations and binding force of the Community. Never was there a greater need for them in the world than today.

But on the precise form of the institutional mechanism required to give expression to those ideals, on the precise road along which progress can be pursued, on the pace of that progress, there may well be room for sincere differences of opinion, against the background of common objectives. Certainly, they require patient study and informed discussion.

The future constitutional form and institutional structure of the Community are not settled by resolutions of heads of government. Heads of government are worthy and eminent people, but they come and go in the course of things. They cannot prescribe blueprints binding on the Community for the future. Heads of government, whoever they may be for the time being, propose, but it is peoples and parliaments who dispose. We need not and cannot subscribe *au pied de la lettre* to the *ipsissima verba* of communiqués. Neither would it be constitutionally proper to do so, or practical, since they contain ambiguities, both patent and latent, and timetables which have already been overtaken. Our task now, in 1975 and onwards, is to make our contribution in a spirit of constructive good

Walker-Smith

will and to progress along the desired path. In seeking this path we should follow three signposts, which represent three interrelated principles: first, respect for the Treaties and the provisions and procedures enacted therein; secondly, respect for the democratic will, directly expressed at present only by national parliaments; thirdly, respect for practicality, for Cavour's great principle of *le tact des choses possibles*.

I say that those principles are interrelated, because respect for the Treaties involves respect for the rights of national parliaments. Major changes in institutional structure require amendments of the Treaty under Article 236. The requirements of ratification under that article ensure that the changes carry the assent of the national parliaments and of the Member States, and thereby of the Community which they comprise. It is therefore of paramount importance that those two related principles—respect for the provisions of the Treaty and respect for the rights of national parliaments—be faithfully and punctiliously observed.

It follows that it is wholly right that the Legal Affairs Committee should have pronounced clearly and unequivocally in favour of applying and respecting the provisions of Article 236. Equally, we of this group are right in our amendments revising paragraphs 3 and 4 of the resolution to stress the necessity of applying Article 236 and deleting the reference to a European government independent of national governments, which would presumably include national parliaments.

There are in theory two possible alternatives to this method of approach. The first is to seek to draft a new Treaty on the existing structure. This, while not constitutionally or legally inadmissible, would inevitably involve problems of great difficulty of an administrative nature. The second is to go to the other extreme and try to make radical institutional innovations without Treaty amendment, by, for example, seeking to extend Article 235 beyond its contemplation in the Treaty. That would be wrong in law and bad in principle, and in my view it would also be counter-productive, since changes made in breach of constitutional propriety and without popular assent would not have the stuff of permanence. I conclude with a word on my third principle—practicality. If we respect the Treaties and the rights of national parliaments we follow the path of practicality. The improved and enlarged organism of the Community will operate better if it is a result of these practical processes rather than a product of theoretical constitution-

making. There is, after all, much practical work lying urgently to our hand—the evolution and perfection of a conciliation procedure between the institutions of the Community, the making public of the legislative processes of the Council, the clarification and improvement of the budgetary procedures, the broadening and strengthening of the democratic base of this Parliament, the formulation of a code of rights for the protection of citizens in the Community, to name only some. These practical endeavours can bring about more than visionary constitution-making. The corridors of history are littered with the waste paper of abandoned academic institutions. Who, for example, recalls the Abbé Sieyès today? Nor do academic discussions about federalism assist much, unless they are preceded by a precise definition of terms. In a sense, whenever sovereign powers are split among a number of coordinate bodies there is some kind of federalism. What those who wish to retain a proper degree of national autonomy want to guard against is an imbalance which would concentrate all power at the centre, what the Commission in its report rightly deprecates as a centralizing super-state.

What they do not want and what I do not want is a centralized system of Community government imposed on Member States without regard to their wishes, their traditions or their national characteristics. There are, after all, degrees of federation, and at the degree of decentralization this is called the confederation to which Mr de la Malène referred.

One of the most stable constitutions in the world is a confederation, that is that of Switzerland, based on respect for multinational diversity. The principle on which the Swiss Confederation operates was identified by the greatest constitution-maker of all time. When the Emperor Napoleon first studied the Swiss constitution and the background against it was evolved, he said :

'La nature a fait votre état fédératif. Vouloir la vaincre n'est pas d'un homme sage.'

I believe we should have regard to what nature has done. We should follow the precept of a distinguished writer on constitution of earlier days. 'There is no absolutely best in constitutions', he wrote. 'The best constitution is that which has been gradually evolved by the people who live under it and which is most closely adapted to their peculiar circumstances and conditions.'

It is in that spirit and after deep reflection that we in the group have tabled our amendments designed to achieve our shared objectives

Walker-Smith

in a form at once practical and democratic which will give benefit to the people of the Community and be a timely example in a troubled and divided world.

(Applause)

President. —I call Mr Lenihan.

Mr Lenihan. — The speech of Sir Derek Walker-Smith brings to the forefront a very basic debate that underlies this whole discussion. It is a question of approach to the problem of European Union.

I notice that in page 44, paragraph 94, of the Commission document this is highlighted. It is emphasized that there are two approaches. The Commission comes down on the side of having institutional reform immediately. The other approach with which the Commission does not agree and which I suggest is the correct approach does not involve immediate and far-reaching institutional reform but rather changing the institutional system step by step within the existing Treaties.

One practical reform to which member governments can now bend their minds and energies is devising the system of direct elections for May 1978. That will ensure for the first time a real basis of democratic legitimacy as regards the European Parliament.

The other area of gradual reform has already been undertaken with regard to involving this Parliament in consultation or concertation procedures with the Council of Ministers.

Here again, there is great scope for enlarging the consultation procedure that already exists in respect of financial matters, between the Commission, the Council of Ministers and Parliament. That type of consultation could be considerably enlarged, so as to ensure that real co-decision making existed between the institutions of the Community and that before final decisions were taken by the Council of Ministers there was parliamentary intervention by way of consultations with Parliament.

It is in this whole area of consultation and co-decision making, building on the foundations of existing institutions, that I see a true European Union evolving, not by creating massive institutional reforms immediately, without any flesh to the institutions so created. Indeed, it is quite evident from the Commission documents that the important areas in which the Commission rightly sees a true European government having a major part to play are areas that lie largely within the competence of member governments and the Council of Ministers.

The Commission rightly states that a true European Union must possess centralized decision-making power in the monetary field and in the whole financial area—in respect of monetary affairs, budgetary affairs and taxation affairs—and in this we have the very genesis of true European Union governmental activity.

The reality is that we are a long way from the goal of monetary union. Similarly, I believe that foreign policy cooperation is another matter to which practical attention must be given—and this encompasses the security area as well—between member countries, so that we can evolve a truly European attitude in the whole area of foreign policy cooperation. Again, we are not anywhere near that yet. I therefore suggest that, as in the economic and monetary area, much greater cooperation requires to be evolved in this area during the years lying immediately ahead before we can talk of institutionalizing structures within the Community.

Indeed, that is why Mr Bertrand's report—in my view very wisely, in the key paragraph 4, speaking about the institutional structure, refers to

'a single decision-making centre which will be in the nature of a real European government, independent of the national governments and responsible to the Parliament of the Union.'

Mr Bertrand rightly leaves open the question of the nature of the decision-making centre. In other words, the question, as recognized in Mr Bertrand's report, is not one basically within the competence of Parliament. It is basically a matter for the Council of Ministers or the European Council of the Heads of Government to decide what percentage of power it will allow to devolve on what will be the European Union. This comes back to the question of the political will on the part of the European Council or the Council of Ministers, because, unless there is a real will, in such vital areas as monetary matters and foreign policy matters, to devolve power onto a European executive, there is no point in taking a leap into institutional reform. Again, Mr Bertrand's report, in my view rightly, leaves open the question of what type of European Union will eventually evolve. The Commission put forward various models and placed them before us for examination. Here again, there is a basic difference of opinion—and we should talk about it and have open debate about it—on the question whether a European government will evolve from the European Council or from a committee of European ministers appointed by national governments to be a permanent executive, or whether it will be a power devolved from the chamber of states in a bicameral system, or whether, as the Commis-

Lenihan

sion suggests in its third model—which possibly contains the best ingredients for the interim period—there would be a European executive within the European Union, responsible to Parliament and supervised by a committee of ministers from member governments in the interim period.

At any rate, the debate has now started. Various options are open. The only matter that I should like to emphasize at this stage is the fact that we should not start institutional reforms too quickly. Instead, we should make pragmatic decisions immediately at the three levels of Commission, Council of Ministers and Parliament, with a greater degree of consultation between the three institutions, a greater degree of co-decision making and a greater working towards a true European executive—a decision-making centre within the context of European Union that will involve a devolution of powers that now reside with the member countries and the Council of Ministers. It will mean, in particular, a devolution of such powers, in the monetary area and the foreign policy area, to the European Union.

Various models are postulated in the Commission's report. Mr Bertrand, in the motion for a resolution by Parliament, leaves the matter open as long as his principle is established—as he rightly seeks to have it established—that we have a certain decision-making centre as a key reform to be achieved over a period in the context of European Union.

My group has some amendments to the motion for a resolution, but we agree with the resolution in principle and intend to support it, subject to making our views known on certain amendments. On behalf of my group, I welcome the open debate now initiated both by the resolution of Mr Bertrand and the accompanying documentation and the excellent report from the Commission, where all the views, all the models and all the options are frankly placed before the forum of European public opinion.

Out of this great debate we hope that there will come a progressive move forward—not a leap forward but a progressive move forward along practical lines so that we can construct a European Union step by step and in a democratic manner, so as to ensure that peoples from May 1978 onwards will be voting for institutions which they understand and can comprehend as being meaningful to them in the whole context of building a better society for the peoples of Europe.

(Applause)

President. — I call Mr Maigaard.

Mr Maigaard. — *(DK)* Mr President, I should like to explain the reaction of a Danish Socialist to Mr Bertrand's report, and I believe I can do so in three brief sentences.

Firstly, only a few people in Denmark want European Union. Secondly, the Danish people have never been confronted with the points of view given in Mr Bertrand's report or for that matter in the Commission's report. And thirdly, no Dane has the right today to support the points of view put forward by either Mr Bertrand or the Commission of the European Communities.

I said that only a few people in Denmark want European Union. The Union as described here is in conflict with what the Danish people voted for in the 1972 referendum. There was no talk then of a common government as part of a common decision-making centre. There was no talk then of any common foreign policy. There was no talk then of a common EEC defence policy. On the contrary, during the negotiations for Danish membership the Danish government specified that the right of veto was part of the legal background to the Folketing's agreement and the Danish referendum.

The Danish government also made it clear to the Council of Ministers—in a speech by Mr Nørgaard, a former Vice-President in this Parliament—that the Danish government and the Danish authorities should have the right to decide Denmark's social and distribution policies, and had this point included in the results of the negotiations with the Council of Ministers. That was one of the results of the political battle that took place in Denmark and only in Denmark.

Only a few people in Denmark want the Union. Very few of them know the reasoning behind Mr Bertrand's or the Commission's proposal. No-one has been asked what they think about such a union. And therefore no-one has the right to support it. No Danish party or politician has the right today on behalf of the Danish people to support views such as those put forward by Mr Bertrand today.

I think it is significant—and in my opinion it is fortunate—that there has been some disagreement in the European Institutions about these plans for European Union. Here in the Parliament we normally deliver a unanimous or almost unanimous opinion. If there has been opposition it has been slight. But there is now so much lack of agreement on the subject of union that we all know that it was with the greatest difficulty that this debate was organized and that a vote will be taken tomorrow. The voting tomorrow will show that there is greater

Malgaard

opposition than there has ever been in this Parliament. We usually agree or almost agree, but tomorrow we will see a new and great opposition. I welcome it; I think we need it. It shows how much disagreement has already arisen out of the plans for European Union in this House.

There is also a lack of agreement in the Commission of the European Communities. I should like to draw this House's attention to the disagreement expressed by Mr Gundelach, member of the Commission of the European Communities, to the Commission's proposal.

We all know Mr Gundelach to be a firm supporter of the European Communities. He has frequently expressed his desire for practical progress in this Chamber. He has stressed the desire to help to reduce unemployment and the desirability of helping to reduce inflation, thereby improving the daily lot of ordinary people. He has also emphasized that he is not what he calls a European minimalist but nevertheless he has expressed reservations about the Commission's plans and has strongly opposed the plan put forward by the Commission of the European Communities in the Danish press.

May I quote the leading Danish Conservative newspaper, *Berlingske Tidende*, which published Mr Gundelach's comments on the Commission's plans on 2 June 1975.

Mr Gundelach said:

'What is needed is a quick and specific programme for solving current problems. The question is, what comes first — the horse or the cart — and I think that the Commission has put the cart before the horse in its report'.

He continues by discussing the plans for Community defence cooperation, and says:

'Defence cooperation is the responsibility of NATO, and mention of it in connection with the EEC merely gives rise to uncertainty'.

Lastly, he gives a general description of the report which he says has been drawn up by the Heads of Government who, he concludes,

'continue to babble on about a Union which they themselves will never bring about'.

I would therefore like to address my next remarks to Mr Ortoli in his capacity as President of the Commission of the European Communities. As a rule, the Commission acts as a collegiate body; it usually acts in unity. What are your comments, Mr Ortoli, on the disagreement in the Commission of the European Communities which Mr Gundelach exposed in his interview in the Danish press? I ask you a direct question and I expect a direct answer.

I should like to address my last remark to Mr Bertrand. In point 7 of your report, you write that the Heads of State or of Government have agreed to direct elections to the European Parliament in 1978. You should know—you are so knowledgeable about European affairs—and I know that you are aware that the Danish government expressed reservations on this point in the Declaration following the summit conference in December 1974. The Danish government expressed some reservation. If you doubt this, Mr Bertrand, you may ask Mr Guldberg who is sitting with the Liberal Group and who expressed the reservation about direct elections on behalf of the government of that time. If, therefore—with all your knowledge of European affairs—you are in doubt about this reservation, then ask Mr Guldberg. He knows about it. He wrote it. He made it.

I therefore ask you, Mr Bertrand,—I know that you are a reasonable man and that you will act correctly—to amend your report so that it contains at least no formal errors.

President. — I call Mr Ortoli.

Mr Ortoli, President of the Commission. — (F) Mr President, I have been asked a question and in reply I am tempted to quote Talleyrand 'All that is excessive is insignificant.' I think that words are being put into Mr Gundelach's mouth.

I did not invent the paragraph from the Communiqué of the last Paris Summit Conference in which the Institutions were asked to put forward an overall concept of European Union. I repeat I did not invent it and I was not signatory to it.

I feel I must also say that there is no difference of opinion in our Community. We can all have our personal opinions and the Commission is not absolutely rigid on the matter. I hoped that the way in which I expressed not the feelings of a Commissioner but the problems the Commission might meet would be clearly understood.

I even hoped that you would understand that I was speaking of the future when referring to European Union and the present when referring to current problems. If you misunderstood I am sorry. As regards Mr Gundelach, I believe that words have been put into his mouth which were not in his thoughts. Indeed, the Commission also has a procedure by virtue of which the remarks we may make are kept within certain limits. I do not think Mr Gundelach would have exceeded these limits at a press conference.

Ortoli

What he said to me was: 'I do not entirely agree on a number of points. In many cases, however, I am prepared to go along to a very large extent with what you have said'.

I should also add that I understand this because we also have freedom of thought. This is my reply.

(Applause)

President. — I call Mr Bertrand.

Mr Bertrand, rapporteur. — (NL) Mr President, I would like to say to Mr Maigaard that in the text of the communiqué of the Summit Conference of December 1974 it was stated that at this stage—December 1974—the Danish delegation was unable to commit itself to introducing elections by universal suffrage in 1978. This reservation was incorporated in the communiqué of the Summit Conference of December 1974 by the Danish government. However, the text is so vague that it could always be repealed if the Danish government were willing to take that step.

President. — I call Mrs Ewing.

Mrs Ewing. — I begin by a word of praise to Russell Johnston, who is a Member of the United Kingdom Parliament for the constituency geographically adjacent to mine. I have been told by the leader of the Liberal Party that, in the battle for British places in this Parliament which held up my own appointment for a day, there was nothing personal between us, and that the Liberal Party thought that the Scottish National Party should have a place. In effect, therefore, I am taking Mr Johnston's place, but if I can fill it as actively as he has done perhaps the tinge of sadness which I have will not be quite so serious.

In a debate about political unity I am grateful to be one of the Scottish voices, having a chance to put my oar in. Scotland is a country of 5 million people. It is the oldest European democracy in its present boundaries. It was the first nation to insist that all its people should be educated compulsorily and it was the first to have an industrial revolution. It was also the first to enter a common market.

We entered a common market with England in 1707 — a partnership which, however, might be said not to be of equals but to have turned into one of Jonah and the whale. We have tried that common market for 250 years and we have ended up with the lowest-paid industrial workers in Europe, with some of the longest job queues, some of the worst slums and one of the

worst child mortality rates. These problems are not unique to us, but that is our experience.

I am sent here by my party, which represents 30% of the Scottish vote, which is only 5% behind that of the Labour Party and is 5% ahead of that of the Conservative Party in Scotland. I have been sent with considerable hope that the Community will listen to the case for Scotland and that this Common Market will end up with a better result for Scotland.

We have always been part of Europe. We needed allies for some hundreds of years. We have a European system of law. As a Scottish lawyer, I cannot practise in England, and the reverse holds true. So it is not new for Scotland to regard herself as a natural part of Europe.

The Scottish National Party has 11 members of the House of Commons. In the 1966-70 Parliament, I was a party of one, and it is perhaps ironical that in this Parliament I am again a party of one. But I have been given a great welcome from all the groups and the national groups that I have met and I feel that there is a sympathy for the rather strange constitutional position in which Scotland finds herself.

My party is pledged to self-government by democratic means. We are the second party in Scotland and we believe that, irrespective of this House and irrespective of the Community, we are fixed firmly on the road to self-government.

The Prime Minister of the United Kingdom has promised an elected Parliament and a White Paper on the subject to be published in the autumn. Wherever there is an international forum, we would like Scotland to be there. We want that whether the forum be the United Nations or this Parliament. We would like it wherever the nations of the world meet. We would like to be there because we dare to think that as Scots we have a unique contribution to make.

I think that it is known that we are not famous for our stupidity and it seems that if we go abroad to England we always end up as heads of department. But these are jokes, and this is not a joking matter. We have a very strange constitutional position, because there is no one who will dare to say that we are not a nation. We have, after all, a legal boundary between Scotland and England. That is never said even in the House of Commons. We have some of the trappings that go with the situation. We have a Secretary of State for Scotland who is in the Cabinet. We have under his umbrella many decision-making areas ranging from housing to education, home affairs and other important functions. But we are still not given the full

Ewing

decision-making which goes with dignity and liberty.

The report of Mr Bertrand talks about respecting the liberty of Member States. Of course, we are not a Member State. I am saying to the Members of this distinguished forum that we must become one.

My party opposed the EEC in the referendum campaign. We did so for a number of reasons.

I cannot go over them all. Perhaps many people here have some of the reservations we had. The main one was, of course, concerned with Scotland, but others concerned a lack of democracy of this Parliament. However, I know from my previous visit in January that there is a determined effort to make this Parliament much more powerful and much more democratic, so one could say that one of our objections may be removed with time.

The main objection, of course, concerned Scotland's position. If there is to be a political union with one decision-making body we feel that if Scotland does not have decision-making as a self-governing unit, we will be in a distinctly peripheral situation.

When I visited Brussels as a Member of Parliament for the first time in 1969, I was asked by some of the most senior officers of that parliament whether I had not considered that there could be a very distinguished role for Scotland in the EEC. I asked what this role was that they suggested for Scotland. The answer I received was: 'The leader of the down-trodden regions of Europe.' If I say that on any platform in Scotland, it usually causes hilarious laughter. But it is not exactly funny to be told that you could be in the glorious role of the leader of down-trodden regions.

The message with which I have been mandated to come here is to explain, to the best of my ability, that Scotland is not a region. It has within it many regions, some with grave problems such as depopulation and industrial dereliction, but we are not a region. We are a nation, and we come here looking for direct representation across the board.

After all, no harm to Luxembourg, but it has half the population of the capital city of Edinburgh. While I would fight to the end for Luxembourg's right to be here as a full member, it makes us in Scotland feel that the position would be untenable unless we obtain direct representation across the board.

I have an extra heavy duty laid on me because in the House of Commons there are three members who represent Plaid Cymru, the Welsh National Party. They, of course, have no re-

presentative in the House although they would like to have had one. Whenever I speak for the aspirations of my nation of Scotland, I have been asked to say a word for the three Plaid Cymru members who have the same aspirations for the country of Wales.

We are not coming to this House as a beggar nation. We are an extremely wealthy nation of 5 million people. We are also a land of great beauty and attraction. We are self-sufficient in basic foods. We could be self-sufficient in steel. Many other great industries in Scotland are world famous.

We are, as you possibly know, on the North Sea; and in the sector known as the Scottish sector, as a matter of international law, there happen to have been some massive finds of oil. Both I and my party wish that some oil could be found in the English sector of the North Sea, but unhappily it has all been found in the Scottish sector. We have already seen an industrial revolution rape the central belt of Scotland and turn it into a place that one would possibly find not very attractive. We do not want another revolution, because people are so greedy to get the revenue from this oil too quickly. We do not want to see another situation where the north fair lands of Scotland will have the same treatment.

We say in my party that this is Scotland's oil. This causes great amusement in the House of Commons where they say it is Britain's oil. I have no doubt that in this House they will say it is Europe's oil. When I met the American Ambassador, he said the oil belonged to Western civilization. I had a Liberal opponent who said that the oil belonged to Bangladesh.

We are coming to this House with hopes that our peculiar history and position will be recognized as stated by one of the speakers in the debate, Mr Corona who said that peoples who had fought for hundreds of years for independence should have their particular characteristics respected by this House.

After the referendum was over in Scotland—and it was a grudging yes, but nevertheless a yes, vote—there was a gut reaction through all parties in Scotland, according to my mailbag, congratulating me on the fact that I was going to come here if I was nominated and asking me to speak up on Scottish issues. I had letters of this kind across the board from all parties. I therefore leave the House in no doubt as to where I stand in my motivation.

I hope there will be a chance to speak on such matters as fishing as these matters are very important to Scotland. It is perhaps no accident that of the 11 members of my party in the

Ewing

House 7 represent fishing constituencies. In Scotland there is a great deal of alarm over the EEC fisheries policy.

To wind up, on the question of political union, we have some reservations on defence. I should like to quote from an article which appeared years ago in the *Economist* headed 'Stealthily a super-power'. We do not find this kind of wording attractive because in our experience military blocs or military super-blocs have not, in the history of mankind, usually contributed much to world peace. We therefore have severe reservations on defence.

We were very gratified by the recent visit to Scotland of Prime Minister Tindemans who had the courtesy to meet me and other members of my party and listen, as I hope you will listen today, to our case.

(Applause)

President. — I call Mr Stewart.

Mr Stewart. — I must ask for the indulgence of the House on what is my first speech in this Assembly. I do not know whether somebody like myself, who has fought 12 parliamentary elections and been successful in 10 of them, can still claim to have any political maidenhood left about him, but nonetheless I ask for the indulgence of the House.

There is one statement which I should like to make with which my colleagues, the British Labour delegates, who have been so kindly welcomed here, will agree. We recognize that we have come into this discussion at a late stage, because although we have only recently formally begun the debate on Mr Bertrand's report the real discussion began at least when Mr Bertrand first set to work, and much earlier. We know very well that we come in at this late stage because of a choice which our own party made, and we cannot impute any blame to anyone. But it is the fact, and we therefore feel that the wisest course for us when it comes to a vote will be to abstain. But I assure the Assembly that that does not mean that we do not regard this question as one of major importance. We recognize, too, how much hard work by Mr Bertrand and his colleagues has gone into the preparation of the report.

I should now like to express my personal view on the questions before us. I very much welcome the approach and emphasis of Mr Bertrand's report, in that he begins by considering what a European Union would do. The mistake that has been made by so many writers and thinkers on this topic has been to build up an imaginary

fabric of institutions and then to inquire what those institutions will do. Mr Bertrand's report has started the right way round. All of us in Europe will recognize the importance of this as the years go by. I am convinced that in the next decade or so we shall find that there are several important things which will be done on the scale of the European Community or will not be done at all, or will be done so timidly and unsatisfactorily as to be of no benefit to anyone.

For example, we can either frame within the Community a common policy on energy or we can find as the years go by that none of us is adequately supplied. We can either frame, as was argued yesterday, a Community policy on scientific research or we can find as the years go by that there is a great deal of waste of resources, duplication of work and a sad disproportion between the amount of effort put into research all over Europe and the amount of human knowledge that comes out of it. We can either frame, difficult though it is, a common economic policy in the Community or we shall find as the years go by that while each one of us will have from time to time periods of comparative good fortune in our economies, or periods of comparative bad fortune, none of us will have the good prospect of steady growth and advancement which could come out of an economic policy framed on a Community scale.

In these fields and others, therefore, the real choice before the peoples of Western Europe is not between joint sovereignty and national sovereignty. It is a choice between joint sovereignty and no sovereignty—that is, no effective power to act on the topics with which one is dealing.

These considerations weigh heavily with me, but I have two observations about the report. One is concerned with defence. The real defence of our freedom in Western Europe is for a long time to come, as far ahead as we can see, indissolubly bound up with the North Atlantic Alliance. When people speak of a European or Community defence policy, if that means simply that those nations which belong both to NATO and to the Community will set to work and engage in the kind of cooperation within NATO for which there has been a crying need for many years, well and good. But if a Community defence policy means trying to set up another power bloc self-sufficient in defence, that would be impracticable to do and dangerous to attempt.

My other reservation concerns direct elections. It seems to be assumed that if we have direct elections in 1978 Members will no longer have a dual mandate. I have elaborated a plan whereby

Stewart

it would be possible to prolong the dual mandate and make it physically possible for Members to fulfil it by direct elections at the same time. But I shall not attempt to lecture the Assembly on that at this stage. If we do not have such a system, if we have direct elections for people who will be Members of this Assembly, and this Assembly only, not their own parliaments, how many European citizens will turn out to vote for them in 1978? I am not very optimistic. Who will be elected? Will they be people who have not been, and who have no ambitions to be, members of their national parliaments?

They might be very worthy, learned people, but will they be the kind of people, particularly if they are elected by only a quarter of the electorate, who can stand up and fight for this Assembly's rights against the extremely tough, experienced political customers in the Council of Ministers? That is a matter to think over. Having expressed those two reservations, I repeat my general and hearty welcome for Mr Bertrand's report.

(Applause)

IN THE CHAIR: SIR GEOFFREY DE FREITAS

Vice-President

President. — I call Mr Scelba.

Mr Scelba. — (I) Mr President, ladies and gentlemen, the Paris Summit Conference, discussing the transformation of the relations between the states in the Treaties of Paris and Rome into a Union, affirmed that this had to be carried out with the fullest respect for the Treaties themselves. Therefore the basic principles and objectives of the Treaties and everything which has been achieved by Community policies up to now must be preserved. In other words the proposed Union must take forms which follow logically on from the policy of integration undertaken in the Treaties establishing the existing Communities.

Respect for the Treaties suggests, *inter alia*, that the name of European Community be kept. This is moreover an original expression, more so than the misused expression Union, more rich in humanity and therefore more appropriate for expressing the new and original character of European construction.

A solid grounding in the existing Treaties offers the advantage of making Union more rapidly achievable, since we will not be obliged to define afresh the principles, objectives and methods of Community policy. The dynamic

nature of the positive rules in force allows of progress in all fields, without having to draw up complex treaties. One of the merits of the existing Treaties is in fact that they offer unlimited possibilities for practical experiments, which is of no small importance in view of the original nature of the Community.

In practical terms, the proposals of the Paris Summit can be translated into an extension of Community powers, a strengthening of the bonds and an adaptation of the institutional structures (from a democratic point of view as well). Economic and political union is the objective of the Treaties of Paris and Rome. The experience of the Community has shown the difficulties of making progress on the road to economic union without political union. The interests of its peoples requires the most rapid possible implementation of the objective of union. This awareness has given rise to the declarations and commitments of the Conferences of Heads of State and of Government from The Hague onwards.

There is no doubt about it. This Union must make of the European Community an economic and political Community. Even if we wanted to, it would not be possible to have such a Community ready-made by 1980. It is clear therefore that by that date we must define the new fields of action of the Community, fix the time-limits within which, with the necessary caution, Community policies will take the place of national policies and we must decide on the institutional framework. This is the procedure envisaged in the existing Treaties.

The desire of governments to pursue union must be made clear and the policy of states must immediately be adapted through practical measures to promote it and to prevent the adoption of measures contradictory to the plan which must be implemented from 1980.

There are three separate stages in this process: initial efforts to define the Union; definition of the Union; implementation of the Union with the necessary caution and with time-limits varying according to the areas involved. For although in the case of international policy the changeover from consultation to a Community policy requires only a decision by governments, and the changeover can be made immediately without any changes to the treaties, in the case of monetary union unavoidable technical time-limits are required.

To bring about a common defence policy, account must be taken of international realities and the alliances which today guarantee the safety of the states.

Scelba

The important thing is for the objectives of the Union to be clearly defined and the policy of Member States and of the Community to operate consistently with the commitments they have entered into.

With this Union, the Community must assume a clear identity, define itself more precisely. We believe that the Community must be defined in particular in three ways:

(1) The Community must set itself up as a model for overcoming national divisions and achieving solidarity among states.

(2) The Community must be defined as a model of a social community, of economic and civic progress, in liberty and respect for human dignity. Its prime objectives must therefore include: social justice, the reduction of grave regional imbalances, full employment of the whole working force and especially young people, just consideration of labour in the productive process, and fuller popular participation in the decision-making centres. The 'Charter of Civil Rights of the European Community' which the resolution hopes will be drawn up, should transform the declaration of intent into specific rights.

(3) The Community must be defined as an instrument of peace, with an active policy designed to outlaw war, and defend the liberty of nations.

The reality of the international situation, the waste of money and destructiveness of modern armaments, the search for peace mean that the European Community cannot find an independent solution to the problem of its external security. This should not prevent problems of Community defence being properly considered within the Community. The requirements of the alliances, necessary to preserve peace, the interdependence of foreign policy and defence policy and, in a more general way, politics and economics make this essential.

To neglect this aspect would greatly reduce the value of the proposed Union. In this framework it appears desirable to transfer to a Community body responsibility for relations arising from the Treaty establishing the Western European Union. This transfer would, above all, permit substantial economies for states which are members of the Union and of the Community. In Community bodies, states which are not members of the WEU would be allowed to express their opinions on problems specifically relating to the defence of the European Community.

As regards the Institutions, the resolution before the Assembly merely indicates the structures

but does not define the Constitution, containing merely vague hints and sometimes contradictions on the respective powers, which is a result of the diversity of opinions put forward in this connection. It will be well for Mr Tindemans to take account of this.

Some preliminary considerations are necessary:

(1) There is an indissoluble link between Community powers and Institutions. There is no need for a government and not even an elected parliament to administer the price policy for butter, meat or wine. A government is necessary to preside over an economic, monetary and political union.

(2) To achieve progress in the Community it is more important to transfer powers from the national states to the Community, than to intensify the participation of Member States in decisions on the direction of Community policy. In my view, the real revolution will come about when national policies are abandoned, when states accept to transfer responsibility for them to collegiate Community bodies, and where the states themselves speak with one voice.

(3) The Community is a new and original type of construction, and includes states which have made world history on their own. For these Institutions, therefore, new ideas are needed, since there are no precedents to follow.

(4) Compromise is the essential condition of pluralist democracies; and the Community will be pluralist in an additional way, through its multinational composition. The Community will survive and progress if the decisions of its bodies are not always forced to go through majority voting. What else is the conciliation procedure in force today on the budget between Council and Parliament except a way of finding an acceptable compromise between the two bodies?

And if the resolution can make express provision for the vital interests of states being preserved in the Union, this preservation can only be implemented by permitting unanimous voting where such interests are involved.

(5) In the European Parliament 9 states will be represented, and later even more, and about 60 political parties. This makes a parliamentary type of government impossible for the Community. The present state of development of the Community does not permit of presidential government either. Moreover, for a long time the role of the Member States in decisions on Community policies will be crucial. This leads to the following consequence: the formation of

Scelba

a Community government. Its powers and those of the European Parliament will depend on the degree and type of participation of Member States in decisions on Community policy.

The resolution provides for this preservation, but makes no mention of practical formulas to implement it. The proposal to create alongside the European Parliament a Chamber of States, approved by the Assembly in 1972 was rejected in a later vote in 1974. The problem is therefore still open.

It is in this light that the proposals which I presented to Parliament and explained in the 1972 document, now in Mr Tindemans' possession, should be seen.

Briefly, the proposals provide for:

(a) The European Council, with the task of drawing up the major guidelines of Community policy, of deciding on changes in the Treaty and resolving as the highest political body unsettled disputes between the European Parliament and the Council of Ministers.

(b) The Council of Ministers, made up of 9 members, one per state, appointed by their respective governments free from national commitments with the obligation of residing at the seat of the Community.

The Council of Ministers, which to avoid confusion with the European Council I will now call the European Government, would be delegated the powers appropriate to a government by the European Council.

The European Government could from time to time be supplemented by the participation of national ministers, with responsibility for individual subjects bringing its numbers to 18 in all. Whereas the decisions of the European Council would be adopted unanimously, those of the government would be adopted by a majority.

(c) The European Parliament, elected by popular suffrage, possessing full supervisory and legislative powers, proper to a democratic parliament.

Parliament would have the power to vote on the removal of ministers guilty of acts incompatible with the nature of their duties.

(d) The Commission, transformed into an executive body of the government, with the task of supervising the various branches of the administration and representing ministers before Parliament. The following provisions would protect the interests of the Member States: the right to initiate legislation would belong to the government, the right of the government to ask Parliament for a second vote, by a qualified

majority, the right to suspend for a certain period, the publication of laws voted by the Parliament, and in the case of persistent differences within the government or between the government and Parliament and on measures which might compromise the vital interests of Member States, the right to appeal to the European Council.

These proposals give better protection for the principle of the division of powers and give to the elected Parliament alone full legislative powers, save in very exceptional cases, where appeal is made to the European Council as the ultimate political body and guarantor of the continuity of Community life.

The right of the Member States to participate in Community decisions is ensured in a manner which does not damage either the division of powers or the sovereignty of the elected Parliament which would ill accept having to share its powers with other bodies.

In opposition to the idea of a government constituted by ministers appointed by states it has been said that such a government would not have the necessary independence to decide with a Community view or with ease, on changes of members whose mandate is linked to the fate of their national governments.

As regards the first objection I would say that the proposals for the appointment of the government are the same as those for the appointment of the Commission. And yet no one has ever doubted its independent judgement.

In the same way no one doubts the independent judgement of Members of the European Parliament, although they are appointed by their respective national parliaments.

To safeguard the independence of the Community government, provision is made moreover that its members shall not be responsible to their national parliaments for their work.

As regards the damage that might arise from rapid changes in members of the government it can be noted:

(1) That this danger exists for the European Council too.

(2) That in the case of the government we are dealing with a political body, whereas the Commission, transformed into a technical service with permanent members, ensures administrative continuity.

(3) Granted the presence of the European Council, as a body which registers changes in national governments, there would be no objection to the appointment of ministers as members of the government for a fixed number of years.

Scelba

The advantages are clear: the proposed solution guarantees greater continuity, more rapid and direct links with national governments and ensures the participation of Member States in a body which is streamlined and less involved than a Chamber of States, which should more properly be called a Chamber of Governments. In practice it would be a Council of Ministers made up of 60-70 members.

These, Mr President, my dear colleagues, are a few ideas born of long experience as a Member of the European Parliament and a member of government. These ideas are debatable, just as those expressed in the Bertrand resolution are debatable; and granted the importance of the subject matter today all ideas deserve to be considered. Especially since as we all hope by 1978 there will be a Parliament elected by popular suffrage, and it will be that Parliament that will have the last word as a direct representative of the sovereignty of the people.

With our vote we are merely preparing the way for its important decisions.

(Applause)

President. — I call Mr Guldberg.

Mr Guldberg. — *(F)* Mr President, it should not be necessary to explain to Parliament that the minorities who have always been opposed to European cooperation are not representative of Danish opinion.

I did not ask to speak in my capacity as a Liberal because I wanted to put forward opinions which were very different from those expressed by my group. However, I do think that the European Parliament should hear a Dane in favour of European cooperation and with the authority to say that a representative of a minority group like Mr Maigaard should not interpret in his own way the position of the Danish Government, whether Liberal or Socialist. It is for this reason that I think I should put forward my view of the situation.

I would say first of all that a definite objective cannot be fixed in advance for European cooperation. On the other hand, steps should be taken to define what aims are worth considering in the near future even if developments later show that these aims are neither feasible or desirable.

Since the second World War all European cooperation has been aimed mainly at creating a United States of Europe, not modelled on the United States of America or the USSR but bringing together a number of old European states to found a society renouncing the force

formerly used and replacing it by legislation, by virtue of which these states would constitute a lawful community in the eyes of the outside world.

Those opposing this idea, who often use the contradictory arguments of the extreme Left or the extreme Right have never seriously dared to reject the notion of a European society based on the principle of law. Attempts are made to attack the concept by giving European cooperation the image of an imperial colonial power or by stating that if neighbouring countries establish preferential relations they isolate themselves from the rest of the world, while no progress can be made in understanding and cooperation in the absence of action at world level.

These arguments are illogical and often come from circles in favour of Soviet domination or the isolation of the Scandinavian countries from the rest of Europe.

To demand that every rule of law in relations between states should be established at world level only is a barrier to progress in this field.

There are so many historical, cultural, religious and political differences that it would be completely unrealistic to expect everyone to submit to the same rules of law.

Tolerance is required and we should accept and understand that other countries even outside the Community, and other Nations, have the right to adopt the policies of their choice even if these result in a situation which from the political and human points of view we believe to be intolerable in the long term at world level. We are not looking for world supremacy by supporting war, secret movements or other forms of violence aimed at overthrowing the political systems of other countries of which we do not approve. This evolution towards a world law must come from within or be based on example.

The construction of Europe has, since the war, been inspired by the wish to avoid making it the arena for future conflicts, to eliminate any sources of differences between the countries, which are close in more ways than one,—and hence to avoid all risk of war.

Whatever the differences between the countries of Europe, these countries are nevertheless very close in the world context.

The evolution of Europe towards an economic and political community, is a step in the direction of an international society founded on the principle of law.

Whatever their affinities, the present nine Member States can retain the historical, linguistic and cultural originality which gives them their own national identities.

Guldberg

The United States of Europe can be achieved in different ways.

In this context, stress could even be placed on the notion of the individual state.

Political forces in the nine states of the Community can decide what course should be adopted. They can opt for a centralized supranational Europe with little respect for national, linguistic and cultural differences.

Whether we want it or not, this is what will happen if we move towards a centralized administration. The Community could also adopt another course: the United States of Europe could form a common domain having common tasks vis-à-vis the outside world and granting its citizens every freedom in internal economic and commercial matters. It is precisely in the context of these freedoms that the establishment of a national or regional system could be promoted in all fields relating to the cultural and popular values of the Member States or their regions.

The present tendency is to create a homogeneous society; it has been shown that decentralization is not only necessary at social and environmental level but also represents the only viable economic and technological course to be followed.

In the context of European cooperation the Liberal parties have the task of encouraging this tendency by participating in the construction of the United States of Europe and opposing the attempt at centralization; they believe that a number of tasks must continue to fall within the responsibility of the states or the regions and recommend decentralization in cases where centralization has already gone too far.

We must recognize that the process of European construction must be a natural one; it must not be imposed but should be encouraged by consideration of our future development. A debate must be opened benefitting the development of the Community along these lines, but we should not feel bound to any particular course. We should think of the future even if the proposals made are not achieved overnight.

It is essential to bear in mind the importance of cooperation in the fields of trade, foreign, and defence policy, which are matters of common interest, regardless of whether they arise from the Community Treaties or any other form of cooperation.

The Community must primarily be strengthened in the field of monetary cooperation. However a liberal policy is necessary as regards both matters of common interest and local, regional and national tasks. If this is not the case, the common European Institutions run the risk of

encouraging the process of centralization or a centralist philosophy contradictory to more national and liberal views.

With increasing clarification of matters of common interest, it becomes more and more apparent that it is necessary not only to solve such problems in a centralist manner through the representatives of the states but also to make them subject to control by a Parliament elected by common democratic rules.

(Applause)

President. — I call Lord Reay.

Lord Reay. — It was at the Paris Summit of October 1972 that the Heads of Government expressed the intention that the Institutions of the Community should produce, during the course of this year, a report on European Union, and it was as a result of that decision that the institutions of the Community accepted their obligations in this respect and that we are debating today the report of Mr Bertrand.

Whether or not it is right to regret the fact that the Summit took that decision in October 1972, it would be widely agreed that 1975 has proved to be too early a date to set out in any concrete form what European Union in the future might be. In the circumstances, in introducing our report for this Parliament we had two choices: either we could have produced a report which gave many alternative possibilities without seeking to get from Members any commitments to one of those alternatives for the future, or we could have produced a report which sought a specific commitment from Members of this House towards a view of European Union in the future.

I do not wish to enter into the merits of the choice which had to be made, and of the choice which Mr Bertrand himself made. This morning he gave us a sturdy defence of the reason why he chose the alternative which asked from us a commitment. Having made that decision, he behaved towards other groups with a great deal of sympathy and in a great spirit of conciliation, but the consequence of having taken that decision was that a whole long laborious series of negotiations took place within the Political Affairs Committee and within groups to try to find what was the lowest common denominator between groups in this matter—what was the furthest degree to which those were willing to go who were anxious to go less far, and what was the least that those who wished to go most far were willing to agree on.

The consequence was that we did not have a thorough or profound investigation of the altern-

Lord Reay

ative possibilities. We have produced something which is nothing like so thorough as the Commission document, and we shall have to return to it in due course.

The leader of my group, Mr Kirk, has described the approach of our group to this report. He has described how we have sought and are still seeking, by means of amendment, to improve it where we agree with what the rapporteur is in search of—for example, in the second part of his report dealing with the transitional phase and, in particular, in paragraph 11, in respect of which we have an amendment down which we think will improve the version put forward by Mr Bertrand; and how, in other respects, we have tried to prevent decisions being taken now which we think it is better to leave until later.

In this respect, Mr Kirk referred to the fourth paragraph, first indent, and gave objections to the inclusion of the phrase 'independent of national governments'. I object to that phrase because it would exclude one of the possible ways in which the Community might evolve in future into a political union. It would prevent, for example, the Council from becoming the decision-making centre. It may well be that it is not desirable that the Council should become the decision-making centre. I think that the Commission takes the view that probably the decision-making centre should not be the Council. It does not exclude it, however, as a possible future alternative but leaves it in as its first model in its list of institutional alternatives. We should do the same. We should not prejudice any possible way in which the Community might develop into a future union. It is unnecessary to take decisions which have that effect at this time, and it is even presumptuous of us now to attempt to decide what forms the institutions of a future union should take.

The need for us to take a decision on the form of a European Union and on whether there should be an act of constitution and, if so, what should be in it, is far away. But that does mean that we are left with nothing to do. Sir Derek Walker-Smith gave a list of the very important things with which Parliament can proceed. I want to pick out two aspects of the future development of Europe which Parliament could well concentrate on in the future. I pick them out because, in the nature of things, they are subjects regarding which the opinions of the European Parliament, and the degree of activity it could show, could play a decisive part in the decision making.

The first is the need for a single seat for the Community institutions. Mr Dalyell rightly raised this matter yesterday. We must make a start on this. We cannot continue with the present

waste and inefficiency of the system as we have it.

There is another matter to which I think Parliament should devote some attention. It should put in some work on the development of a uniform procedure for direct elections. The Convention which Parliament adopted makes the provision that the first direct elections could be under a scheme different for each Member State according to the scheme each Member State chose for itself.

In the first place, I have considerable doubts whether one system could be introduced for the first direct elections and another for the second direct elections.

Secondly, even if that were done and the first elections were to be of a form peculiar to each Member State, it would still be inconceivable for Member States to adopt a scheme for their first elections without having any idea of the general form of the scheme to be adopted at Community level for subsequent elections. However, there has been no discussion on the subject whatever.

We ought not to wait much longer on this. I hope that these are some of the matters which will be taken up when Parliament reassembles after the holidays.

(Applause)

President. — I call Mr Nyborg.

Mr Nyborg. — *(DK)* Mr President, I too am in favour of European Union, but I should like to make a few comments.

Considering the large problems that will have to be solved in the future in Europe and the rest of the world, it is essential for there to be very close cooperation in Europe. We saw during the oil crisis in the autumn of 1973 and spring of 1974 that cooperation in the Community was far too loosely organized to cope with unexpected problems. European Union, which I consider essential, will help to improve cooperation. It will not be possible in the future to pursue a policy suited to each of the states of Europe. The problems and their solution are too closely connected.

Once the long-desired direct elections are introduced in 1978, this Parliament will presumably have its powers strengthened very quickly since it is the only Community Institution with a democratic background that stems from the respective populations. There will, however, be a risk that such a parliament will be able to take undesirable political decisions calling for the renunciation of sovereignty. European Union

Nyborg

is, in my opinion, the only instrument that can guarantee the individual Member States the sovereignty they desire; it is only in a union that there can be a precise definition of the competence and powers of national authorities and of the Community Institutions. It is therefore both advisable and imperative to set such specific standards before any opinion can be formed of a proposed European Union.

I do not intend to go into the report in detail; I merely want to express the hope that during this and future debates the general approach to this important subject will be clarified. It would have been preferable if a position had been adopted so that it was clear what the aim of the report was instead of contenting oneself with vague expressions such as that used for describing a European government as 'a single decision-making centre'. How will such a decision-making centre be constituted?

Here I should like to point out that it is desirable to call things by their proper name and not to fight shy of doing so. If we want a European Union—in other words a United States of Europe—we should clearly state so, so that the respective populations are informed in an acceptable fashion. The European cause could be harmed if it is pursued too carefully, in other words diplomatically. The problems and their possible solutions must be clearly stated so that there can be a serious debate on the subject. It is important that there be such a debate since, if the conditions of Denmark's membership of the European Communities are altered considerably, there will have to be a referendum in Denmark at least to decide whether the proposed changes can be accepted. The best possible information will obviously have to be available before such a referendum can take place.

Similarly, a position on European Union should be based on the facts available in the individual states and we should not be tricked into drawing up programmes that are nothing but wishful thinking. Future steps towards European Union must be based on realistic political considerations. We should aim high, but not so high that we overshoot the target.

(Applause from the Group of European Progressive Democrats)

President. — I call Mr Broeksz.

Mr Broeksz. — *(NL)* Mr President, ladies and gentlemen, you all know the saying, 'Let well alone'. European Union does seem to be an improvement but I fear that all this talk and fantasy about Union will delay even more seriously the already dilatory progress of the European Communities.

The decision of the Summit Conference is attractive; European Union by 1980. But what does a decision like this by the Summit Conference mean? The Conference as such is not able to take Community decisions. It can formulate ideas and make proposals but their realization depends on the Council. We have all seen how the Council refuses to accept decisions by the Summit Conferences. What has happened, for instance, so far in respect of decisions by the two Summit Conferences at Paris on matters essential to the implementation of European Union? The answer is that virtually nothing has happened.

I would like to list the matters concerned. The second stage of Economic and Monetary Union, point 1 of the final communiqué of October 1972 and point 14 of the final communiqué of December 1974; the economic policy, points 2, 3 and 4 of the final communiqué of October 1972; the social policy, point 6 of the final communiqué of October 1972; the industrial, scientific and technological policy, point 7 of the final communiqué of October 1972—I follow the numbering of the chapters given in the communiqués—; environmental protection, point 8 of the communiqué of October 1972; energy policy, point 9 of that same communiqué; a Passport Union and a uniform passport, point 10 of the final communiqué of December 1974; harmonization of legislation affecting aliens and the abolition of passport control, point 10 of the final communiqué of December 1974; general elections to the European Parliament after the Parliament had given its opinion, point 12 of the communiqué of December 1974; the extension of the competence of the Parliament by granting it certain powers in the Community's legislative process, point 12 of the document of December 1974; economic policy, combating inflation and maintaining employment, point 17 of the final communiqué of December 1974; the harmonious expansion of world trade, point 12 of the final communiqué of October 1972 and point 21 of that of December 1974.

The Summit Conference of 1972 also asked the Council to improve its decision-making procedures. We all know how necessary this is, but what did in fact happen?

The Bertrand report recalls this in paragraph 11 but simply reiterates one of the proposals made by the Summit Conference.

A decision was taken to improve Community procedures and to develop new common policies. It was also decided to grant independent powers to the Institutions to give greater latitude to the Permanent Representatives and to make use of the provisions of the Treaty of Rome whereby the powers of implementation and management

Broeks

arising out of Community rules may be conferred on the Commission.

The Council did indeed look at some of the fringe areas of decision-making but otherwise disregarded the proposals of the Summit Conference. The result is that I now have a list—and everyone in this Parliament will be able to have one soon—of more than 200 Commission proposals on which the European Parliament has given its opinion, but on which the Council has so far taken no decision.

A large part of the Bertrand report deals with what has to happen before Union can be achieved. This report is vague, I would almost say extremely vague, on the difference between the Union and the Treaties of Rome.

After all, nobody knows what will really happen in ten to fifteen years' time. My question to the Members of this Parliament is, however, this: If the major targets of the Treaty of Rome cannot be achieved, will there still be European Union? I think that hardly anybody believes that what is impossible today should suddenly become possible in 1980 or a few years later. So why was this proposal put forward at the Paris Summit Conference? In my opinion it is a diversionary manoeuvre. If you don't want something, one of the best ways in which to demonstrate your unwillingness is to say that you do want it but in a much better and more perfect form. I recall a draft report drawn up by one of the most prominent Gaullists in this Parliament in which this was quite evident. At the time I resisted this energetically in the Political Affairs Committee since I believe that if we can't achieve the lesser aim, the greater aim is totally unrealistic.

Much has to happen before European Union becomes a real possibility.

For this reason, any reports on European Union can be no more than futuristic fantasies which we debate with our heads in the clouds.

At the time I had the feeling that we were being led by the nose by the Paris Summit Conference. It was a sop to keep us quiet and to mask the lack of progress in the development of a united Europe. Now, things are much more serious: I have the feeling that Parliament is making a fool of itself.

I consider it my duty to point this out since we have now been discussing for many hours a possible development in Europe and this has prevented us from considering many day-to-day tasks. We have already had to remove a number of important reports from the agenda.

Our first task is to remedy the stagnation in the European Community and to obtain under the

present Treaties a directly elected European Parliament with substantial powers and to fight for the full implementation of the Treaty of Rome.

Mr. President, I am not opposed to the Bertrand report, except for the defence clause in paragraph 3. Otherwise there is not an objectionable word in it and we shall be able to refer to it again and again in the coming years. I shall therefore not vote against the report, despite my views, but in order to underline these views I shall abstain from voting.

(Applause from the Socialist Group)

President. — I call Mrs Kruchow.

Mrs Kruchow. — *(DK)* Mr President, I have listened very attentively to what has been said today, especially by Mr Bertrand, the rapporteur. I have also studied the report on European Union which I—and several others—received only a few days ago.

It is precisely because this subject is so important that I am disappointed that Parliament wants to come to a decision on it this week. I cannot make the voters I represent in Denmark a party to either its content or its principles. That would be in conflict with my view of representative government, and I have therefore to vote against the report today.

Do not think that I am a half-hearted European, that is not the case. I want to see European cooperation strengthened, and I agree with what Mr Bertrand recommended time after time today: step-by-step development. I cannot therefore understand why we cannot postpone the voting until September or October. It would then be possible to give thorough consideration to the proposed amendments, and to the place of security policy in the proposed Union.

I should also like to point out that the Rome Treaty as it stands today offers good possibilities for increased cooperation between the Member States. Real progress in both monetary cooperation and energy policy under the terms of the Treaty will presumably be the best basis for increased formal cooperation, since the peoples of Europe will really learn and understand the Community's importance and possibilities.

President. — I call Mr Nielsen.

Mr Knud Nielsen. — *(DK)* Mr President, I should first of all like to welcome the Labour Party delegation, especially the one or two Members who have so much stamina that they are still in the Chamber. The fact that the

Nielsen

Labour Party has at last decided to make a constructive contribution to the formulation of Community policies in the best thing that has happened to the EEC in a long time.

The subject we are discussing today is of the greatest importance. It is certainly the most important matter Parliament has ever dealt with.

I would like to share in the words of praise already expressed for the work Mr Bertrand has put into the preparation of this report. There is no doubt that it contains many ideas and concepts that can be of considerable use in the report Mr Tindemans will submit to the Heads of State or of Government towards the end of this year.

There is much to be said for postponing the finalization of and voting on the Bertrand report until September. We already made this reservation when answering the questionnaire. Two days ago—and only two days ago—we received the Commission's report on the same subject. This week we are discussing and taking decisions on European Union and pretending that the Commission's report just doesn't exist. We are to discuss innumerable complicated proposals for amendments which should have been thoroughly discussed by, for instance, the Committee on Legal Affairs. Lastly, we are to discuss this subject without the Labour delegation having even a reasonable chance to get to know it. There are therefore many reasons for postponement, but a majority in this Chamber voted against it. I think this is to be regretted.

On behalf of the Danish Social Democratic Members I would like to add some general remarks on the report since we do not fully agree with the points of view put by Mr Corterier on behalf of the majority of the Socialist Group.

Mr Bertrand's report is divided into two parts; institutional questions and specific areas of cooperation.

Firstly, institutional questions: we must bear in mind that European Union must reflect the wishes and thoughts of the people. The first question is therefore: What do the people of Europe really want? Is their economic and social situation such that they believe that new institutions will solve their problems? Do they believe that the States have more chance of reaching agreement on controversial aspects of cooperation in a new EEC structure? In other words, does the existing institutional set-up represent an obstacle to the solution of problems that people in the present situation want us

to reach agreement on? We should in no circumstances agree to institutional restructuring until it has been quite clearly shown that the present structure is inadequate for coping with the tasks the people consider important.

We firmly believe that there is no need at present for any radical change in the existing structure of the EEC. There is, however, a need for the most pressing aspects of cooperation to be extended and intensified. Let me just mention economic and monetary cooperation, industrial policy, labour policy, energy policy and aid policy. If there is a will, this can be achieved admirably on the basis of the present Treaty.

The second part of the report on specific aspects of cooperation should therefore be given top priority in any further discussion of European Union.

As regards foreign policy cooperation can be increased in areas where it already exists. On the other hand, we firmly believe that security and defence policy should not come within the EEC's sphere of competence. On this point I fully share the views expressed by Mr Stewart, Mr Broeks and others.

It is as though idealism is increasing in direct proportion to the evident decline in the EEC's ability to solve practical problems. There is, for example, talk of a common European currency although in this building in Strasbourg which for better or for worse is where the European Parliament currently holds most of its plenary sittings, and which some people like to call the capital of Europe, we cannot even change French money into other EEC currencies. This discrepancy between theory and practice undermines the credibility of the EEC.

Let us therefore be realistic and pragmatic. Let us show the peoples of the Community that we have both the will and the ability to solve their current economic and social problems. Let us build a firm foundation for European cooperation instead of building castles in the air.

These, in brief, are our views, and we will therefore vote against the report before us.

(Applause)

President. — I call Mr Prescott.

Mr Prescott. — It is my purpose to indicate to the Parliament the nature and quality of the opposition felt by a substantial number of the Labour delegation and people within my country.

Prescott

Some of the observations made today suggest that some delegates feel that because we have had a referendum in my country we must subordinate ourselves to almost all the legislation aimed at the development of an economic and political union. The British Government and the party which I represent have had serious reservations about direct elections to this Parliament and the development of an economic and monetary union, which we regard as the first steps towards the development of a federal Europe. The government have said that these matters are not practical politics.

Strong reservations were expressed in the leaflet circulated to the people during the referendum campaign, when it was made clear that it had reservations, on those two points which challenge the very concept of the necessity to develop into a federal Europe. It is clear, particularly from Mr Bertrand's report, that we are considering taking the matter considerably further than was envisaged in the Treaties, which were severely limited to the idea of economic integration, the rationalization of certain industries, economic cooperation and the competence given to the Commission to deal with certain commercial matters. This report takes it considerably further.

We read about developing a policy to coordinate and bring about integration in economic and monetary matters, Community budgetary policy, and security policy, which I take it must mean defence policy as well, and the development of joint decision centres and giving directions to parliaments. It is without doubt an entirely different Europe from that originally envisaged.

It is clear that the Treaties may be taken to have implied that this was the course to follow, but I believe that we are beginning to witness a desire to achieve some economic integration and rationalization, and that, in order to achieve that objective, we are seeing the development of greater political initiatives in order to establish the necessary powers.

The debate has been largely about what type of institutions we should have for a European political union and the speed with which it should take place. With one or two exceptions, the reservations made have not been of a fundamental challenge to the postulations of progressing along this road. Those of us who opposed British entry to the Common Market fear that the sheer impetus of the desire for economic integration would bring about political changes which would achieve the kind of Europe some of us would view with grave misgivings—a Europe which would develop the trappings of a superpower, which would not be to the advantage of Europe.

Because of these fears, and because the report tends to highlight them, our opposition challenges the fundamental postulations put forward in the report. It is claimed that some states are limited in their sovereignty already, and that by acting together we would be able to increase our sovereignty. That has not been proved in the economic and social sectors. Nor is there any empirical evidence to show that it is so. It may be necessary to come into large units in order to have more political influence in the world, but I have a feeling that we might find ourselves as another Colossus alongside the United States, Russia and possibly China. But that is not the reason given in the report. The primary reason given in the report for supporting such a development is that we will thereby be able to guarantee an increase in the standard of living of our people, achieve further rationalization, achieve a redistribution of wealth, maintain full employment and handle raging inflation. The assumption behind that thinking is that the bigger we are the easier it is to solve problems. There is no evidence for that case either. That we could achieve a redistribution of wealth by forming a political union when we have not been able to achieve it in our individual countries is something that I cannot accept. But because we are embarked upon this road it becomes necessary for the Assembly to argue, as its justification for achieving more political power, that we must have control of monetary policy, that we must have fixed exchange parities, and that we must develop along the road of gaining even more power. These documents call for further budget reforms and a greater power of spending by this Parliament. That must eventually mean that we hope to secure more control of demand management in each country; that we hope, by our taxation system, to impose the policies that are considered necessary.

As a Socialist, I am not convinced by the philosophy that is embodied in the EEC Treaty, wedded to the policy of competition—a Treaty that states that the capitalist philosophy is the one that should govern us. It is like saying to a Socialist that we shall achieve our Socialist objectives in a situation in which the rules and conditions lay down a market economy which is basically a capitalist one and is found to be failing. This is a fundamental.

I do not have time to develop what the alternative should be, but the last speaker said that a certain amount of integration had been achieved and that more could be achieved by cooperation within the EEC. It is not the road for me, as a Socialist, to assume that by pursuing political union, by concentrating power even more in greater centralization, we shall

Prescott

achieve the objectives which I am in politics for, namely, to fundamentally redistribute wealth and power and to change the societies that we are in. I do not think that that can be achieved by making the advance that is suggested at the moment.

The emphasis is more on cooperation. My group is not anti-Europe. I have been a member of the Council of Europe for two years. We are for cooperation with Europe, but we are not in favour of subordinating the wills of our sovereign powers to even greater centralization here in Europe.

(Applause)

President. — I call Mr Jahn.

Mr Jahn. — *(D)* Mr President, ladies and gentlemen, on behalf of my political friends, I should like to state our position on paragraph 11 of the Bertrand report, on the necessary adjustments of the institutional structure to the tasks of the European Union.

In the long run it is unacceptable to the Community for the Member States to ignore the majority principle in voting, embodied in the Treaties of Rome. I should like to stress that all the Member States are obliged to act in accordance with the letter and the spirit of that Treaty. I am saying that especially after what we have just heard. The application of the majority principle embodied in the Rome Treaties is of great importance for the Council of Ministers' capacity to take decisions. It is only in that way that it can carry out its task in the work of European integration. It is unacceptable for the work of this Parliament to find that there are some 300 proposed regulations and directives, that this Parliament approved yesterday, the day before or years ago, lying untouched with the Council, because one or other Member State has imposed its veto. If all the proposals for regulations and directives that have gone through this Parliament had been given the force of law we would have gone a great deal further along the road to economic and political integration—and I repeat political integration. I would strongly emphasize that the Member States must observe the Treaty and remove the opposition that still exists between Community and intergovernmental processes. The employment of the Council secretariat on all multinational relations between Member States, proposed in the motion for a resolution, can certainly not be much use here.

It is of great importance in this connection for the governments to show the political will to accelerate the process of unification, and for

the national administrations to prove more cooperative and offer no needless resistance to giving up powers they used to have. For what we want is a surrender of sovereign powers, and not the petrification of the present state.

Now a word on direct elections and European Union. We—I think the great majority of this House, at least all my friends—see in direct elections the precondition for European Union and will continue to follow that road.

Let me say a word on the incorporation of the UN Human Rights Convention and the Council of Europe's Declaration in our ideas on European Union. We demand the right of freedom and security for every citizen of our Community. We demand freedom of thought, conscience and religion, and the right of freedom of expression in all areas of Europe. This right includes the freedom to express and exchange opinions without interference from the authorities and irrespective of national boundaries. Finally, we also call for guarantees of civil liberties without distinction of sex, race, colour, language, religion, political or other views, national or social origin, membership of a national minority, wealth, birth or class.

Why do I say that? Because in parts of Europe dangerous developments are taking place. This catalogue of basic freedoms must be and remain the democratic foundation of our Community. Above all, we call for the right of self-determination for all Europeans, for the national groups and minorities and for the peoples. On the basis of the right to self-determination, people must have the chance to settle their social and political relationships themselves. Here the Community has to speak for all Europeans.

Let me finally say a word to my British colleagues. We want not merely—lest there be any misunderstanding, after the discussions we have had in this Parliament—economic, but also political integration of Europe, and we know that this is a hard road, and we shall go steadily along it.

The Bertrand report shows us the way. We have worked on that way for years. We hope with this debate, and with what the summit, the Council of Ministers and the Commission have done in the past, to arrive at the final goal of European Political Union.

(Applause from the Christian-Democratic Group)

President. — I call Mr Glinne.

Mr Glinne. — *(F)* Mr President, ladies and gentlemen, we have talked a lot about the

Glinne

future coherence necessary for a European Community, about the powers and scope it must have, and about the means which must be placed at its disposal.

This problem is inseparably linked with the geographical extension of our Community. Since the Six became the Nine and particularly in view of certain changes that have occurred in the three new Member States, the theory has become current that we need to consider, consolidate and strengthen what we have done very carefully in order to extend once again the Community's sphere of geographical responsibility.

It has now become fashionable to say that extension at any time and anywhere would in the future run counter to the quality of Community achievements. Some people think that any geographical extension of the Community would be incompatible with an improvement in quality.

Mr Corterier said a moment ago, on behalf of the Socialist Group, that the Community must remain an open one even when it becomes more integrated as European Union is achieved.

On behalf of my Group I should like to say briefly what this means for us. On 22 June 1975, the Greek Government, supported by a massive majority in the Greek Parliament, officially applied to become a full member of the Community. Thus, a tenth Member State is waiting to join.

The views of our political group on this case and on any other similar case that might occur in the future are as follows: any associated European state wishing to become a full member must have a political system which is undeniably democratic. This is an absolute prerequisite.

Secondly, its application for membership should contain no provisos or exemption clauses; in short a candidate should accept in advance, for better or worse, all the consequences of accession.

Thirdly, consideration should be given to whether the degree of economic and social development achieved by this new applicant state will allow it to survive without too much trouble the inevitable shock of accession to a very large Community.

Fourthly and finally, the inevitable problems of accession must be regulated and solved during a transitional period of 3, 4 or 5 years to be agreed on bilaterally between the EEC and the applicant. This is something to which we attach importance.

Several years ago a Belgian statesman said that we should try to build Europe in all spheres;

he was obviously thinking of fields in which the Community's powers were non-existent or very inadequate. I should like to reiterate this and say that Europe must also be extended geographically wherever possible. Speedy acceptance should be given to the principle of the accession of a country in relation to the situation of that country and not in relation to the situation of another. Accession should be organized immediately while arrangements are made for the various stages in the transitional period.

In conclusion I should like to say that with increasing powers and importance an integrated Europe could never abandon one of the main duties of its historic mission, namely the task of bringing together, with a view to progress, all the states of the continent of Europe based on political democracy which, at all events in our group's view, should be strengthened and extended to social and economic democracy.

(Applause from the Socialist Group)

9. Agenda for next sitting

President. — In view of the amount of business on the agenda, and with the agreement of the rapporteurs and the chairmen of the committees concerned, three reports and one motion for a resolution have been withdrawn.

I refer to the report by Mr Albers on migrant workers, the report by Mr Marras on the social situation in the Community and the report by Mr Walkhoff on the European schools system; the motion for a resolution is the one on education in the Community.

They have all been placed on the agenda for our September part-session.

The agenda for tomorrow's sitting, 10 July 1975, at 10 a.m., 3 p.m., and 9 p.m. will therefore be as follows:

- Continuation and conclusion of the debate on European Union;
- Vote on the motion for a resolution on European Union;
- Votes on various resolutions to be dealt with by urgent procedure;
- Joint debate on the reports by Mr Aigner and Mr Lange on the amendments to the financial provisions of the Treaties;
- Report by Mr Della Briotta on wine;
- Report by Mr Aigner on the ECSC's Auditor's report.

The sitting is closed.

(The sitting was closed at 8.50 p.m.)

ANNEX

Questions, which could not be answered during Question Time, with written answers

Question by Mr Johnston

Subject: Unemployment situation in the Member States.

What proposals is the Commission discussing with the Council to alleviate the unemployment situation in Member States of the European Communities?

Answer

The Commission is in continuous dialogue with the Council and the Social Partners in this context. Key elements in this dialogue are analysis of the current situation with a view to more effective use of existing Community machinery, job creation for young people, training and re-training, and programmes for special categories of workers, for example women and migrant workers.

Question by Mr Noè

Subject: Computers

In the light of the agreement concluded between two firms, one American, the other French, on industrial cooperation in the computer field, what action does the Commission envisage in order to ensure the development of this important industry within the Community as a whole?

Answer

Developments in the negotiations between the new French group and HIS on the one hand, and possible adjustments in the Unidata agreements between CII, Philips and Siemens on the other, will enable the Commission to assess the effect of the CII-Honeywell agreement in Europe. The Commission will take account of this new situation in submitting new general proposals on this sector to the Council and Parliament.

In the meantime, the Commission intends to pursue the implementation of the resolution on a Community data-processing policy. The first proposals for priority action in this field have been put before Parliament and should have been debated during this part-session. Other proposals concerned with specific action of particular interest to the industry and with other applications will be submitted by the Commission in September.

Question by Mr Shaw

Subject: Postage rates

When is it going to be possible for people in the new and old Member States to send to each other letters stamped at the domestic rate, as is already the case within the old Member States?

Answer

The application of domestic postage rates to postal communications between the original Member States is not based on a Community act but on bilateral agreements concluded between the Six.

Following the enlargement of the Community, the Commission wrote to the nine Member States on 12 April 1973 recommending that the application of domestic postage rates should be extended to the new Member States. Five

Member States replied that because of the budgetary implications of such a measure they were rejecting the recommendation or had serious doubts about it.

Question by Mr Fellermaier

Subject: EEC Commission Office in Chile.

In view of the latest statements by Chile's Head of State, General Pinochet, is the Commission finally prepared to close down its office in Santiago, Chile and move it to another South American country?

Answer

The Commission would like to remind the honourable Member of the reply which it gave last year to an earlier question on this subject from Signora Carettoni Romagnoli.

In its reply on that occasion the Commission regretted that it was clear that Chilean democracy had been temporarily extinguished. But it pointed out that the reasons why the Community had originally chosen to locate its Latin American office in Santiago, and which did not relate to the matter of bilateral relations between Chile and the European Community, still remained valid.

The Commission is afraid that the situation in respect of democracy in Chile has not improved since that reply was given last year and the statements to which the Honourable Member refers bear testimony to that. On the other hand, there has also been no change in the conditions which justified our original choice of the site for our Latin American office.

The Economic Commission for Latin America remains in Santiago. The United Nations has not decided to move it elsewhere, in spite of the General Assembly's condemnation of the Chilean Government. And the Latin American Iron and Steel Institute is also still located in Santiago. None of the Latin American Governments concerned have decided to remove it.

The Commission can however assure the honourable Member that if there is a change in the conditions which make it appropriate that Santiago should be the site of our delegation in Latin America, then the Commission will be prepared to draw the necessary conclusions.

Question by Mr Seefeld

Subject: Obstacles to passenger traffic at the internal frontiers of the European Community.

Is the Commission aware that obstacles to passenger traffic still exist at the internal frontiers of the European Community, and what action does it intend to take to ensure that they are at long last eliminated?

Answer

On Monday afternoon Parliament held a thorough debate on the situation of the customs union and the internal market during which the problem referred to was dealt with by several Members as well as the Commission. As the time allotted to answers during Question Time does not allow for detailed description of the many Commission initiatives the Commission will itself be referring to Monday's debate and Mr Mitterdorfer's report. It would like to add that the Heads of State or of Government decided at the summit meeting in Paris to set up a working party with the task of examining the possibility of establishing a passport union, an element of which should be the abolition of passport control at the internal frontiers of the Community.

The Commission has recently submitted to the Council a preliminary analysis of the issues with which the working party will have to deal. This document will be sent to Parliament for information.

SITTING OF THURSDAY, 10 JULY 1975

Contents

1. Approval of the minutes	159	5. European Union (Doc. 174/75) (Resumption):	
2. Change in the agenda:		Amendments to paragraph 5:	
Mr Cheysson, member of the Commission	159	Mr Kirk; Mr de la Malène; Mr Corterier; Lord Gladwyn; Mr Bertrand; Mr Kirk	185
3. European Union (Doc. 174/75) (resumption):		Amendment to paragraph 7:	
Mr Hughes; Mr Artzinger; Mr Howell; Mr Van der Gun; Mrs Kellett-Bowman; Mr Noè; Mr Bersani; Mr Springorum; Mr Lange; Mr Aigner; Lord Bethell; Mr Blumenfeld; Mr Deschamps; Mr Alfred Bertrand	160	Mr Corterier; Mr Bertrand; Mr Espersen; Mr Fellermaier; Mr Jakobsen; Mr Rivierez; Mr Bertrand; Mr Maaigaard; Mr Bertrand	186
Consideration of the motion for a resolution:		Amendment to paragraph 8:	
Amendments to paragraph 1:		Mr Zeller	189
Mr Corterier; Mr Kirk; Mr de la Malène; Mr Bertrand; Mr Corterier; Mr Bertrand; Mr Kirk; Mr Bertrand..	174	Amendments to paragraph 9:	
Amendments to paragraph 2:		Mr Kirk; Mr de la Malène; Lord Gladwyn; Mr Bertrand; Mr Aigner; Mr Kirk; Mr Fellermaier; Mr Kirk; Lord Gladwyn; Mr Kirk; Mr Bertrand; Mr Lücker; Mr Kirk; Mr de la Malène; Mr Poher; Mr Fellermaier; Mr Bertrand; Mr Aigner; Mr Lücker; Mr Kirk	189
Mr Kirk; Mr Corterier; Mr Giraud; Mr Bertrand; Mr Fellermaier	176	Amendments to paragraph 10:	
Amendments to paragraph 3:		Mr Corterier; Mr Bertrand; Mr Schmidt; Mr Lange	193
Mr Kirk; Mr Bertrand; Mr Jahn; Mr Van der Hek; Mr Bertrand; Mr Corterier; Mr de la Malène; Mr Bertrand; Mr Laban; Mr Bertrand; Mr Laban; Mr Fellermaier; Mr Bertrand; Mr De Keersmaecker; Mr Bertrand; Mr De Keersmaecker; Mr Corterier; Mr Bertrand; Mr Van der Hek; Mr Jahn; Mr Fellermaier; Mr Lücker; Mr Broeks; Mr Lücker; Mr de la Malène; Mr Giraud; Mr Bangemann	178	Procedural motion: Mr Brøndlund Nielsen	194
Amendments to paragraph 4:		Mr Artzinger; Sir Brandon Rhys Williams; Mr Lange; Mr Bertrand	194
Mr Kirk; Mr Lücker; Mr Corterier; Mr Bertrand	183	Amendments to paragraph 11:	
4. Organization of the debate on the Della Briotta report on wine:		Mr de la Malène; Mr Kirk; Mr Bertrand; Mr Van der Hek; Mr Fellermaier; Mr Van der Hek; Mr Kirk; Mr Bertrand; Mr Fellermaier; Mr Lücker; Mr Kirk; Mr Bertrand; Mr Kirk; Mr Berkhouwer; Mr Bertrand; Mr Kirk; Mr Lücker; Mr Bertrand; Mr Poher; Sir Brandon Rhys Williams; Mr Bertrand; Mr Corterier; Mr Bertrand; Mr de la Malène; Mr Kirk; Mr Bertrand..	195
Procedural motion: Mr Broeks	185		

<i>Amendment to paragraph 14:</i>		<i>Procedural motion:</i>	
<i>Mr Kirk; Mr Bertrand; Mr Kirk; Mr Fellermaier</i>	202	<i>Mr Fellermaier; Mr Kirk; Mr Dal-yell; Mr Lange; Mr de la Malène; Mr Scarascia Mugnozza; Mr Fellermaier; Mr Scott-Hopkins; Mr Houdet; Mr Leenhardt</i>	215
<i>Explanations of vote: Mr Kirk, on behalf of the European Conservative Group; Mr Fellermaier, on behalf of the Socialist Group; Mr Lückner, on behalf of the Christian-Democratic Group; Mr de la Malène, on behalf of the Group of European Progressive Democrats; Mr Berkhouwer, on behalf of the Liberal and Allies Group; Mr Jakobsen; Mr Broeks; Mr Brøndlund Nielsen</i>	202	10. <i>Change in the agenda:</i>	
<i>Adoption of resolution (vote by roll call)</i>	205	<i>Mr Kirk; Mr Lange; Mr Aigner; Mr Battaglia, President-in-Office of the Council; Mr Lückner; Mr Lange; Mr Lückner; Mr Dalyell; Mr Aigner; Mr Battaglia; Mr Fabbrini; Mr Knud Nielsen; Mr de la Malène; Mr Jahn; Mr Lange; Mr Battaglia; Mr Jahn</i> ..	217
6. <i>Tabling of a motion for a resolution, decision on urgency and inclusion in the agenda (Doc. 191/75)</i>	205	11. <i>Regulations in the wine sector — Debate on a report drawn up by Mr Della Briotta on behalf of the Committee on Agriculture (Doc. 187/75):</i>	
7. <i>Tabling of a motion for a resolution, decision on urgency and inclusion in the agenda (Doc. 190/75) — Debate on a motion for a resolution tabled by Mr Blumenfeld and others (Doc. 188/75):</i>		<i>Mr Della Briotta, rapporteur</i>	220
<i>Mr Blumenfeld; Mr Stewart; Mr Scott-Hopkins, on behalf of the European Conservative Group; Mr Berkhouwer; Mr Spicer; Mr Cheysson, member of the Commission; Mr de la Malène, on behalf of the Group of European Progressive Democrats; Mr Blumenfeld; Mr Normanton; Mr Fellermaier</i>	205	<i>Mr Lange, chairman of the Committee on Budgets; Mr Hansen, on behalf of the Socialist Group; Mr Boano, on behalf of the Christian-Democratic Group; Mr Pintat, on behalf of the Liberal and Allies Group; Mr Scott-Hopkins, on behalf of the European Conservative Group; Mr Liogier, on behalf of the Group of European Progressive Democrats; Mr Lemoine; Mr Leenhardt; Mr Cipolla; Mr Lardinois, member of the Commission; Mr Della Briotta; Mr Lange; Mr Lardinois</i>	222
<i>Explanations of vote:</i>		<i>Consideration of the motion for a resolution:</i>	
<i>Mr Laban; Mr Berkhouwer; Mr Blumenfeld; Mr Klepsch; Mr Albers; Mr Deschamps; Mr Corona</i>	211	<i>Amendments to the whole motion for a resolution:</i>	
<i>Adoption of resolution (Doc. 190/75)</i> ..	212	<i>Mr Boano; Mr Cipolla; Mr Della Briotta; Mr Cipolla; Mr Della Briotta</i> ..	244
8. <i>Tabling of a motion for a resolution and adoption of urgent procedure (Doc. 189/75):</i>		<i>Amendments to the preamble:</i>	
<i>Mr Berkhouwer; Mr Sandri</i>	212	<i>Mr Houdet; Mr Liogier; Mr Della Briotta</i>	246
9. <i>Tabling of a motion for a resolution and adoption of urgent procedure (Doc. 193/75):</i>		<i>Amendments to paragraph 1:</i>	
<i>Mr Seefeld; Mr Kirk; Mr Fellermaier; Mr Berkhouwer; Mr Fellermaier; Mr Berkhouwer; Mr Scarascia-Mugnozza, Vice-President of the Commission; Mr Berkhouwer; Mr Lange; Mr Aigner</i>	213	<i>Mr Früh; Mr Della Briotta</i>	246
		<i>Amendments to paragraph 5:</i>	
		<i>Mr Leenhardt; Mr Liogier; Mr Della Briotta; Mr Lardinois</i>	247
		<i>Amendments following paragraph 5:</i>	
		<i>Mr Zeller; Mr Della Briotta</i>	248
		<i>Amendment to paragraph 6:</i>	
		<i>Mr Zeller</i>	248

<i>Amendment to paragraph 7:</i>		<i>Amendment to paragraph 26:</i>	
<i>Mr Liogier; Mr Della Briotta</i>	249	<i>Mr Früh; Mr Della Briotta</i>	253
<i>Amendment following paragraph 11:</i>		<i>Amendment to paragraph 27:</i>	
<i>Mr Liogier; Mr Della Briotta; Mr Lardinois</i>	249	<i>Mr Früh; Mr Della Briotta; Mr Lardinois; Mr Früh</i>	253
<i>Amendment to paragraph 12:</i>		<i>Amendment to paragraph 28:</i>	
<i>Mr Leenhardt; Mr Della Briotta</i>	249	<i>Mr Liogier; Mr Della Briotta</i>	254
<i>Amendment to paragraph 15:</i>		<i>Amendments to paragraph 29:</i>	
<i>Mr Zeller; Mr Della Briotta</i>	250	<i>Mr Liogier; Mr Klepsch; Mr Della Briotta</i>	254
<i>Amendments to paragraph 16:</i>		<i>Amendment to paragraph 34:</i>	
<i>Mr Früh; Mr Della Briotta</i>	250	<i>Mr Laban; Mr Della Briotta; Mr Lardinois</i>	255
<i>Amendment following paragraph 18:</i>		<i>Amendment to paragraph 35:</i>	
<i>Mr Liogier; Mr Della Briotta</i>	251	<i>Mr Laban</i>	255
<i>Amendment to paragraph 19:</i>		<i>Amendment to paragraph 37:</i>	
<i>Mr Liogier</i>	251	<i>Mr Liogier; Mr Della Briotta</i>	255
<i>Amendments to paragraph 20:</i>		<i>Amendment to paragraph 38:</i>	
<i>Mr Liogier; Mr Laban; Mr Della Briotta</i>	251	<i>Mr Liogier; Mr Della Briotta</i>	256
<i>Amendment to paragraph 21:</i>		<i>Amendment to paragraph 42:</i>	
<i>Mr Früh</i>	252	<i>Mr Liogier; Mr Della Briotta</i>	256
<i>Amendment to paragraph 22:</i>		<i>Explanation of vote:</i>	
<i>Mr Früh</i>	252	<i>Mr Noè</i>	256
<i>Amendment to paragraph 23:</i>		<i>Adoption of resolution:</i>	
<i>Mr Liogier; Mr Leenhardt; Mr Della Briotta</i>	252	<i>Mr Lardinois</i>	257
		12. <i>Agenda for next sitting</i>	257

IN THE CHAIR: MR SPÉNALE

President

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

President. — The sitting is open.

The minutes of proceedings are approved.

1. *Approval of the minutes*

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

Are there any comments?

2. *Change in the agenda*

President. — I call Mr Cheyssou.

Mr Cheyssou, member of the Commission. — (F) Mr President, with regard to today's agenda, the Commission would like to ask the House to agree to begin item No 39—report by Mr Aigner on the ECSC Auditor's report for 1973 (Doc. 140/75)—immediately after the other budgetary items—that is to say, before starting on item No 127.

President. — You have heard the Commission's proposal. Consideration of this report should not last more than a few minutes. It would

President

therefore be reasonable to agree to Mr Cheysson's proposal.

Are there any objections?

That is agreed.

3. European Union (Resumption)

President. — The next item is the resumption of the debate on the report on European Union drawn up by Mr Alfred Bertrand on behalf of the Political Affairs Committee (Doc. 174/75).

I call Mr Hughes.

Mr Hughes. — Mr President, as the House knows, my colleagues in the Labour delegation have decided to abstain on the report. Thus, what I am saying is in a personal capacity rather than on behalf of the Socialist Group. What I shall say does not indicate in any sense that we are necessarily in disagreement with the report as a whole. There may well be minor differences of emphasis, but the broad lines of agreement are closer than some would have us believe.

The question of political union can become a meaningless and hollow gesture unless it is translated into action by the creation of an effective series of economic institutions. Political speeches, reports and resolutions in this august Assembly will not dig coal, harvest wheat or do any other practical work. Unless the economic effectiveness of European Union is seen by ordinary people as having an immediate relevance to their everyday life, no improvement in the parliamentary institutions here or elsewhere will effectively come about, and those very parliamentary institutions themselves will tend to fall into disrepute.

I hesitate to use any historical analogy, but I suggest that we have a little to learn from the creation of united Germany in the nineteenth century. I suggest that it was the reality of the *Zollverein* rather than the rhetoric of the politicians in the 1848 assemblies which brought about the unification of Germany, although I accept that the bayonets of the Hohenzollern kingdom played some part as well. So it is with European Union in the remaining 25 years of this century. It can only evolve on the basis of economic realities which are seen and known to be realities by ordinary people.

Already within the United Kingdom the democratic pressures of devolution from Westminster not merely to Wales and Scotland but to various regions within England are strong, and have their roots and base in the economic situation as well as in ethnic aspirations. For any of us

to say that economic and monetary union is desirable, necessary, or whatever, does not solve the monetary and economic difficulties which are present while we try to achieve it. It is not that the political commitment to economic and monetary union has been lessened or restricted; it is that the economic events of the last two or three years have imposed a sanction upon its achievement far more potent than the United Nations sanctions have so far been in the case of Rhodesia.

The probability of an early achievement of a single central bank with pooled reserves and so on, or of a single currency, has receded in the last few years and no evocation of a statement of political beliefs will bring it nearer. I would argue that the development of economic and political union is analogous to a pair of cart-horses drawing a plough. Unless they are harnessed together, they cannot achieve the object of turning the furrow. Unless, therefore, we begin with the acceptance that economic union is important and that we need institutions for that as we do for the political objective, we will get it wrong. In the present economic situation, we delude ourselves if we believe that economic and monetary union is other than a distant hope which the present pressure of events has moved further from achievement rather than nearer over the last three years.

I turn now to the problem of regional policy and the implications for achieving political and economic union. There is a curious paradox in that the achievement of European Union will be more effective and will gain in strength if there is an adequate devolution of powers from European to regional and local centres of government; and if those institutions collectively at a European level do not transfer back from the localized level to established institutions which will implement their policies, they will lose in strength rather than gain it.

In my part of England, the north-east, we have a history of dependence on coal-mining, ship-building, iron and steel making and so on. This has produced in the last 20 years massive problems, with consistently high unemployment. The economic policy of the Community, as it moves to greater union, must be seen to be as concerned about the problems of high and persistent industrial unemployment as it has so far been concerned with the problems of agriculture throughout the Community. This means that, in the delicate balance between the complementary roles of national governments and the Community in regional policy, what must appear is that the Community is giving more money—new money—for regional policy and is devoting a great proportion of its resources to the needs

Hughes

of the urban unemployed in the industrial sector as well as to the agricultural underemployed of the rural areas.

The political will, in many parts not just of Britain but throughout the Community, towards union can only be mobilized if regional and social policies have a higher priority than they appear to some of us to have had so far. We have a saying in English that the proof of the pudding is in the eating. What I want to see is that when ordinary men and women eat the pudding they taste the benefits that it brings and will bring thereafter. It is only by making its achievement comprehensible and understandable and relevant not just to the financiers, the industrialists and others, but to the ordinary working man, that the real basis of a genuine European dimension can be created in the minds of the people.

Without that commitment in their minds, the erection of sophisticated political institutions will be an empty gesture, like building the Tower of Babel. Unless those economic foundations are laid, with a shift in emphasis towards industrial and urban matters, I fear that, no matter how sophisticated the political institutions, the other events will force us to go much slower than many of our colleagues would want.

This requires appreciation of the economic realities and carrying Europeanism into the everyday life of ordinary people. A public opinion poll, however interesting, is no substitute for the experience in economic life of being a European. Unless we get the machinery to provide that on a much greater scale than has been apparent so far, much of what we are doing in discussing a document on creating European Union will be an empty gesture.

(Applause)

President. — I call Mr Artzinger.

Mr Artzinger. — *(D)* Mr President, ladies and gentlemen, it is my task, within the framework of this debate, to deal with Economic and Monetary Union.

One may ask whether there is any purpose in this. The motion for a resolution, however, asks, in paragraph 10, 'that the links which exist between Economic and Monetary Union and European Union...should be recognized', since these require a parallel procedure. Moreover, the Commission also says, in its report, that the political Union 'should...continue to aim for the main Community objective: Economic and Monetary Union'. By discussing Economic and Monetary Union, therefore, we are by no means digressing from the debate on European Union.

A glance back over the depressing history of Economic and Monetary Union is not calculated to fill us with encouragement for the progress of European Union. A few years ago, Economic and Monetary Union set off to an impressive start; later, however, it came to a halt, and today virtually all that is left of it is the 'little snake', a monetary alliance embracing only a few Member States of the Community. Here and there we make an effort to make further progress, but in fact we are glad if we can find some justification for what has happened so far.

Why is this so? I think—and here begin the parallels with European Union—that our conception of Economic and Monetary Union was a little too technical: we thought that a few monetary measures would suffice to bring about a union among the Member States. This reproach, however, is least of all applicable to Pierre Werner, who, in his well-known report on Economic and Monetary Union, stated quite unambiguously that this undertaking was impossible without an economic decision-making centre. And this centre has yet to be created.

This Parliament need not reproach itself on this score, having adopted a number of resolutions put forward by the Committee on Economic and Monetary Affairs which stressed the need for basing Economic and Monetary Union on a political foundation. There is no point in deceiving oneself that such sensitive and important areas as the economic and currency systems can be combined and everything else left as it is. And, talking of leaving everything as it is, what in fact has been achieved? In economic affairs, we still concert our policies, and concertation is a euphemism used to disguise the fact that nothing is being coordinated. Concertation is nothing but a lack of coordination, and that way, of course, progress does not lie.

For that reason, I and my group support the view developed in the motion for a resolution, that we should move forward in parallel. Any lack of progress in one field is not to be used as a pretext for taking no action in the other. It is so easy to say—and that we are doing today—that margins and rates of inflation vary so widely among the Member states that it is impossible to reach a true coordination of economic policies. We try to get round the difficulty by creating a new unit of account: that is a tool which may be of some use but which brings us not one whit nearer the essence of Economic and Monetary Union. Its importance may emerge later, after economic policies have been truly coordinated; today, however, we are merely avoiding the political problems. Hence my appeal to the Commission not to follow

Artzinger

the course laid down in its report, which is that of continuing to interpret the provisions of the Treaties extensively and waiting until the movement towards a European Political Union is in progress before seeking to extend its competences. No, it must be the other way round. Right now, the Commission must find the courage to demand greater powers in the name of progress towards Economic and Monetary Union. Only then will an important step towards European Political Union have been made. In our view, it is precisely in the field of Economic and Monetary Union that we must move beyond the stage of national states in which we still find ourselves today. We therefore ask this House and the Commission to tackle this task with courage.

(Applause)

President. — I call Mr Howell.

Mr Howell. — I find myself very much in agreement with the last two speakers. I wish particularly to congratulate Mr Hughes. I am surprised to find myself agreeing with him so much in his first speech in this Parliament.

I am disappointed with the report, and with the debate, because I believe it has not gone nearly far enough. Like the previous speakers, I believe that the way ahead for progress in the Community is by taking a bold step towards economic and monetary union. We must have a common currency before we can have a true Economic Community. We are pretending that we have this.

I understand the difficulties with which we have been confronted and the patience with which people have worked in the past to get as far as we have. Now, however, we must be bolder than we have been. I believe we should grasp a unique opportunity to arrive at a monetary union.

In my opinion it is wrong to press ahead with political union and direct elections in the first place. The right way is to do these things together if possible. If that is not possible, then the first step should be a monetary union.

For once, we are all facing in the same direction politically. Now that the British referendum is out of the way, we are all firmly committed to the idea of progress with our European Economic Community.

I believe too that we and the world are becoming increasingly aware of the fact that one major commodity—wheat—is of more importance than anything else. There is a chance that in the near future the price of wheat will rise

and a time will come when it is at the same level in all countries. At that time, there will be a unique opportunity to create a European currency and to tie all our currencies together. I believe that only by doing this can we make progress.

Rather than say we must progress cautiously, I believe we must be ready to take a very bold step in the direction of monetary union and a common currency. If we do not grasp this opportunity when and if it arrives, we may have lost the chance for a long time.

(Applause)

President. — I call Mr Van der Gun.

Mr Van der Gun. — *(NL)* Mr President, on behalf of the Christian-Democratic Group I should like to make a few remarks on social policy, with which the Bertrand report also deals. I do not however wish to link it solely with the Bertrand report.

In my opinion, our community can only be a truly living Community if social policy takes a central part in it. If we look at what actually happens, however, we find that enough has not been done in this area so far. This statement is certainly not intended as a criticism of the Commission. It is in my opinion largely the fault of the Treaty of Rome itself that the Commission has in the social sphere, with a few exceptions, solely the task of promoting cooperation between the Member States as much as possible.

The objection is sometimes made that the social measures taken do more to make economic integration run more smoothly than to implement a genuine social policy. When we talk about measures to allow economic integration to run as smoothly as possible, we are thinking of those relating to the free movement of workers and to migrant workers and their social security, and the European Social Fund.

The Paris Summit sought to give a certain stimulus to social policy. By equating the importance of social policy with that of achieving Economic and Monetary Union, by setting up a Social Action Programme and making it clear that the social partners would have to be more closely involved in social and economic decision-making in the Community, it aroused great expectations.

I think I can safely say that these expectations have not entirely been met. That is not in my view the fault of the Commission either. On the contrary, it has taken wide-ranging initiatives. The programmes have been brought out, but

Van der Gun

nevertheless, it is still the case that the social policy as carried on hitherto is not a policy that strongly appeals to broad strata in the Community, or increases interest in the development of the European Community. We have to state that in all objectivity.

If we test what has been achieved until now against what a social policy ought to mean, namely, a policy to distribute all material goods and intangibles equitably among the members of the Community, improve the quality of life and endeavour to give all Europeans equal welfare, then we have to admit that in this area not very much has been achieved at Community level.

Mr President, I am very pleased that in his report Mr Bertrand states that in the context of the European Union, special attention must be paid to social and regional policy. He points out that it is the major task of the Community to promote social justice. In this connection, he mentions full employment and a just distribution of incomes and wealth.

What I find wanting is a reference to the fight against inflation, for I think that we must remember that inflation is not a purely conjunctural matter; it is threatening, alas, to become increasingly structural. I think that a genuine economic policy also has to be directed at combating inflation, since inflation is of fundamental importance for employment and for the distribution of incomes and wealth.

The report also mentions the programme that the Commission has been asked for in 1976.

Such a programme is a good thing in itself, but on the other hand we have to agree that a programme alone is not enough. I do not wish here to go into the points that in my opinion ought to be included in a social programme of that nature. In the various areas many studies have been carried out and much material has been gathered. In practice, however, we cannot become a truly living Community just through studies and reports.

We hope that the European Union will make a concrete contribution to the creation of this kind of truly living Community, and that it will not be merely a new institution that makes no real changes in the way the Community runs.

We shall have to give body to the results of the studies, and also to the policy itself as it has to be implemented within the European Community.

It is only then that there will be a truly living Community, that appeals to broad strata of the

population and therefore simultaneously stimulates interest in the direct elections to the European Parliament. It is only when the people of the Member States experience the Community as a living reality that we can speak of a truly living European Community.

(Applause)

President. — I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — I congratulate Mr Bertrand on his *tour de force* yesterday in putting before us so graphically his report. I also congratulate my opponent, so to speak—Mr Hughes, from the United Kingdom—on a very able maiden speech. I believe very strongly that the backing of public opinion is absolutely vital and that the emphasis in Mr Bertrand's report on gradualness in the political sphere is the key to success. I am sure that one thing which public opinion fears most is sudden leaps into the political unknown.

I agree with Mr Bertrand when he says: 'Do not ask that one morning we should wake up to political union.' Therefore, I believe that paragraph 2 holds the key to success in the political sphere. Progress in this sphere must be gradual and organic, as the resolution puts it, 'taking existing Community achievements as its point of departure' and developing these to meet the needs of the future.

Perhaps we from the United Kingdom feel the need for organic growth in this regard more strongly than others, because we have never had a written constitution. Therefore, the gradual evolution and growth of institutions and the adaptation of existing instruments to new needs seem to us the surest way both of carrying public opinion with us and of achieving continuity and steady progress based on consent, so that we do not take one step forward only to find that we are obliged then to take two steps back.

It is for these reasons that I should be opposed to adherence to rigid time limits. I do not agree with Mr Bertrand that the acceptance of the latest date of 1978 for direct elections is the test of political will. When we are building a house we press ahead when the time is ripe and the weather is good. We do not proceed in a thunderstorm. We must take these factors into account. Similarly, when the climate is favourable, we can make very rapid progress, and when it is less favourable we must consolidate the progress that we have made. In this way I believe that our work will have far greater permanence than if we rushed headlong in the political sphere simply to achieve certain rigid deadlines.

Kellett-Bowman

But my views are quite different in the economic sphere. On the economic front, rapid progress is vital to survival. I believe that the time is ripe for considerable progress. I do not agree with Mr Hughes that the economic blizzard which has hit us has made it impossible to proceed rapidly in this sphere. I take the contrary view. I believe that the economic hurricane which has hit all Member States has convinced many who did not previously believe it of the need for closer cooperation, so that no Member State will seek, in panic, to solve its own problems in the short run at the expense of others, thus worsening the long-term position of all. Mr Hughes said that the Community must give new money to the regions. How true. Indeed it must. But when the Community does give this money, national governments are in honour bound not to use it to bail out their ailing national economies. It should be used as it is intended, to revitalize our regions, reduce unemployment and provide new jobs.

I know that it is currently fashionable to decry what is known as the 'watering-can system'—that is, the practice of helping a large number of small projects rather than a few large projects. I do not share that view.

I believe that there is a place for large projects, particularly in the realms of transport infrastructure. In my part of the world these are vital. But the men and women in the farthest regions will remember with gratitude small projects which ensure that they have jobs. It is by giving them this faith in Europe that we shall carry them with us. I believe that the Regional Fund will supply the cement for the Community in the next decade, just as the common agricultural policy provided the cement of the past decade, and that it is only by the extension of regional policy that we shall achieve the strong Community that we all desire.

(Applause)

President. — I call Mr Noè.

Mr Noè. — *(I)* Mr President, ladies and gentlemen, I have granted part of my speaking time to some other colleagues; I will therefore restrict myself to stating a problem which cannot escape our attention since it concerns one of these objectives which the Community must pursue and solve, that is to decide on how in the years to come it will cope with supplies of raw materials and resources sufficiently to permit a reasonable level of development in our countries.

The previous speaker stated that in the various regions, people tended to think more in terms

of local problems than of wider perspectives. This is true. But it should be borne in mind that unless the Community as a whole succeeds, with an overall effort, in obtaining the raw materials and resources to guarantee steady development, resources in certain regions will be exhausted and this will have a detrimental effect on local problems, halting development in some countries.

This problem which, I repeat, I am merely stating, arose several times in the Committee on Energy, Research and Technology since energy is, in the event, one of the fields in which the necessity for certain limits is clear.

However, the problem is more general and extensive.

The trends which, after years of discussion, have emerged in energy production can be classified in three groups. The first consists in the establishment or improvement of relations with countries owning resources, so that in the long term it will be possible to ensure reasonable supplies of these resources for our peoples. This is the first, most important and most delicate task and one where European Union could lead to greater incisiveness than individual member countries could achieve on their own.

The second trend to be borne in mind is that of the intensification, within the Community, of the research for as yet unknown resources, since our knowledge in some sectors is still imperfect. And this must be done rapidly, because it is very important to decide as soon as possible what are the real available resources.

A striking example of this is to be found in the North Sea, Mr President, where in the 1950's geologists said that there were no traces of oil. Why was this? Because it was thought that there were no sedimentary rocks deeper than 4 000 metres. This was a belief at the time although since then sedimentary rocks have been found as deep as 5 000 metres and thus oil was found. This is therefore a typical example of the necessity to extend research, to allow the Community to discover the size of the energy resources at its disposal.

The third direction is that of economizing as much as possible in the use of elements, resources and materials which are in limited availability. I am referring to resources which are being exhausted throughout the world and in this connection, at the beginning of this century there existed a philosophy which favoured prolonging the life of machinery and objects. Subsequently, there developed an exaggerated dynamism and a tendency towards continual change but, in view of the present situation,

Noë

this criterion should be reviewed and it is essential today to aim at the least possible waste of certain precious materials and resources.

These, Mr President, are the three directions which it seems logical to follow. It is certainly true that a united, Community, approach in these three fields can give better results than an approach in individual sectors by individual Member States, and it is this conviction which is one of the essential elements in the striving towards European Union, especially for the new generations. At the risk of becoming too general, I would point out, for example, that as regards greater productivity and better use of resources, we are in a situation which is quite similar and parallel to general technological progress where the combination of intelligence and experience in all Member countries gives greater results than individual efforts would.

We have as yet done too little on this level in the various sectors. to convince young people of the qualitative leap which can lead to a more adequate and more comprehensive approach.

One more remark, Mr President, before I finish. Some materials and resources are present in our Community and cannot be imported, for example water. Unfortunately even water is something which in some of the Community countries is approaching a crisis for which we cannot find a solution of the proper scope. But there too there is hope of an improvement through a Community approach. In individual countries this problem is being dealt with in different ways which sometimes in my humble opinion are wrong. We discussed this in a committee meeting in Paris, in the presence of the Minister, Mr Jarrot, formerly a Member of this Parliament, and with a director of the French 'Agence des Bassins'. It is therefore the task of the Community to convince all countries that attempts to preserve this common asset must be improved; it can no longer permit individual countries to take mistaken measures, which will inevitably break down in a crisis.

This then is another field where the bringing together of great minds and experience can bring about progress.

All the reasons which I have mentioned are important, but they are based on a single major consideration: that is that progress in general, and particularly social progress will be held back if we do not give due importance to the problems of acquiring the materials necessary to sustain that progress.

(Applause)

President. — I call Mr Bersani.

Mr Bersani. — (I) Mr President, ladies and gentlemen, my remarks will be very brief, within the time remaining to me, and will deal with two aspects of the development of the Communities: the social and regional aspects. These two sectors, both from the point of view of the content, that is the aims of the Community, and from the point of view of the Institutions, certainly deserve to be given an important place. Here more than ever the concept of a European society, its unity, its profound links with the concept of human freedom, with democratic ideals and the great objectives which lie behind our efforts to achieve a more just and advanced society, deserve to be firmly emphasized. From this point of view, which concerns the most human aspect of our political efforts, I would like, not without some anxiety, to stress the gap which still exists between the development of the Community and the real life of the people in our Continent. And I would like also to stress that the kind of society we are aiming at is just as much opposed to the degradations of the consumer society as to those of collectivist societies and instead looks forward to a type of development which will be characterised by a new ethical way of considering economic activities.

There is no doubt that it is here above all that we must meet the basic democratic challenge in the process of building the Community. As regards dialogue with the regions, after long efforts we have succeeded in making contacts. There has certainly been progress, even though we cannot yet see clearly the devolution to the regions about which President Ortoli justly spoke yesterday, with an emphasis which I fully share. As regards talks with trade unions and working people there have been some improvements since the setting up by the trade unions of the European Confederation of Trade Unions (ECTU). But in my view we have not yet reached the point where these relationships have the fundamental importance which dialogue between institutions and workers' organizations should have. It is in this direction, not only as regards relations but as regards the content of these relations that our discussions should progress. Yesterday, Prime Minister Tindemans said that just as we have shown real unity in our process of development, so we must also show unity and solidarity in drawing up an effective policy to combat recession and the difficulties arising from unemployment and the fundamental anxieties of so many citizens in the Community about losing their jobs.

But on this level I would say that our ideas are still very vague and quite inadequate. I think that the situation, however, demands that we

Bersani

make much more concrete efforts on an institutional level; this implies in my view the necessity among other things to make the role of the Economic and Social Committee clearer and also at regional level to find a more coherent way of cooperating, through the Institutions and in other ways, with the regions. Paragraphs 53 and 80 of the Commission's report stress that the Community's existence is dependent on these two aspects—the regional and social aspects. I think it should be stressed that we are in agreement: both on the level of content and on the level of institutional structures we must make a much more consistent and progressive effort in both fields.

I would also like to mention on the social question, the extremely important problem of migrant workers. As this concerns more than 10 million people it requires much more effective and structured action if we are to progress gradually from forced migration to free movement which is free both in name and in fact.

I would like to conclude these very brief remarks, Mr President, by adding that I am personally convinced that we have started late, very late, on the road to European Unity: time is running out. We have heard many exhortations to make realistic assessments of the difficulties and of the necessity to overcome them gradually. I, too, am of course in agreement with many of my colleagues about this gradual, flexible approach. I believe however that we must be realistic in another way: that is to say besides considering clearly the obstacles before us, we must also make a responsible assessment of the dangers threatening us. An aware assessment of these dangers should also be a part of our realism, and should encourage us to intensify and accelerate our tasks, to look, if necessary, beyond the obstacle, to be more than ever in this respect a driving force in Community progress.

(Applause)

President. — I call Mr Springorum.

Mr Springorum. — (D) Mr President, ladies and gentlemen, a few days ago, the power supply failed for a few hours in a large German city. Within a short space of time, the city's entire life collapsed: traffic came to a standstill, people were trapped in lifts, the underground was held up, the telephones didn't work. If the electricity cut had lasted for any length of time, supplies of food in refrigerators and deep-freezers would have been spoilt. Once more, it became clear that the supply of energy is today one of our greatest needs: we need not only air, water and

food, but also energy. Unless these four fundamental needs are met, people can simply no longer carry on living.

The shock of the oil crisis did us a good deal of good, because it showed to what extent our energy supply rests on feet of clay. The decision of the Heads of State or Government, at the Summit Conference in Copenhagen, to pursue a common energy policy and the Council's confirmation of its determination, on 17 September 1974, to elaborate and apply such a policy surely came none too soon. Unfortunately, words were nowhere followed by deeds. The commission has made admirable efforts, in the same spirit as this Parliament, submitting one proposal after another in order that the Council should finally arrive at this common energy policy which it itself had decided upon. Only the day before yesterday, Mr Simonet bemoaned the fact that a fresh Community crisis seems to be appearing above the horizon at this very moment.

Energy-policy-making is a very concrete affair and therefore a good criterion for judging how far the governments' resolve extends, whether they are prepared to fulfil the conditions necessary for a real Community and whether they really want this Community. I have no intention of sitting in judgement upon the various states now, although it might be very tempting to do so. In any case, one very remarkable fact cannot be overlooked: although the governments are aware that energy problems are easier to solve on a multinational, Community basis, they are not prepared to surrender petty national advantages in favour of their neighbours. Although they know perfectly well that a Community solution would improve their own situation, they will not concede one whit of their advantages to their less fortunate neighbours. Time does not allow me to give any examples, although they are legion. They would make it clear that the national governments have not the courage to act in accordance with the will of the silent majority, which wants Europe, but prefer to bow to the wishes of vociferous pressure-groups which dominate public opinion. Yesterday Mr Bertrand said that the Europe of the future must perform all those things that the Member States cannot achieve on their own. Of these things, energy policy is one of the most important. Let us hope that the governments of the Member States will cease mere talk and start to act! That would be a real proof of their desire to make the Community work.

(Applause)

President. — I call Mr Lange.

Mr Lange. — (D) Mr President, may I, while making my remarks, pass on to the questions in sector III—budget, financing, etc.—since I and my group see little purpose in my asking to speak twice? Thank you.

Mr President, yesterday Mr Bertrand reminded us once more of how the Heads of State or Government, at two conferences, both held in Paris, spoke about transforming the relations of Member States within the Community into a European Union. I repeat: transforming the relations of Member States into a European Union. This, so far as the three Communities are concerned, is to take place with the fullest respect for the Treaties.

I point this out in support of what was said yesterday by Mr Bertrand and also by our fellow group-member: if what the Heads of State or Government said about transforming the relations of Member States within the Community into a European Union is not to remain an empty phrase, Member States are called upon to do everything necessary to ensure the creation of a solid foundation for European Union by the time-limit laid down—that is, 1980; that is to say that what we have to do now is not only to concern ourselves with the year 1980 but also with current problems occupying the Community, since it is only in this way that solid foundation for a European Union will be created by 1980.

In that way we shall not be simply creating something entirely new but rather developing something already in existence and developing it to such an extent that it is capable of becoming something resembling a European Union—a quasi-state of some kind or other. It is not my intention to say anything about federation, confederation and other ideas of that kind: that is not the subject of this debate. Neither do I wish to say anything about constitutional problems. I only wish to point out once more that the governments—and that means virtually the Council of the European Communities, including what is today known as the European Council—must see their way to setting in motion everything that has been planned in connection with the realization of Economic and Monetary Union.

This implies the need for a coordinated—and indeed, more than that, a Community—economic policy, which, of course—here I refer to what has been said by Mr Springorum—itself is contingent upon a Community energy policy. Otherwise, the Community's economy will not work and the incomes of our population cannot be assured. The preamble to the EEC Treaty speaks of the wish to increase prosperity and assure its just distribution. There is no need to talk about a redistribution or anything of

that kind: all we need is the right approach, the legal prerequisites, the tools that will make it possible for prosperity, if it continues to increase—and that is what we want it to do despite all the difficulties confronting us today in the world economy—to be so distributed in the Community that each, as he receives his share, shall have the impression of living under a socially just order. That is the fundamental problem. To this it must be added that some people who have tended to neglect this problem will now have to make up for their neglect in no uncertain terms. That amounts to the same thing as has already been said here on more than one occasion: a coordinated Community economic policy must be achieved as rapidly as possible.

We must all rid ourselves of the illusion that it is still possible for us to master our present joint or several difficulties by means of measures at the national-state level. Here I fully agree with the rapporteur and with other speakers who have spoken in this vein.

It was pointed out yesterday that the beginnings of a single monetary policy based on a coherent economic policy may be seen in the fact that France has returned to the fixed exchange-rate system: perhaps other member countries are both able and willing to facilitate the return of those other countries which are still—or feel themselves obliged to remain—outside this system. This means—and here I would ask our British colleagues of all shades of opinion not to take offence at my choice of wording—that both those member countries which are in the 'snake' and those which are still outside it find a solution enabling them to hold together while facilitating the participation of the others in this system. I am convinced that this is absolutely necessary.

Another thing which seems to me to be absolutely necessary—to this extent I can understand many of the reservations made by colleagues who referred specifically to regional structural policy—is the smoothing out of socio-economic discrepancies in the Community by pursuing an appropriate structural policy on both the regional and the sectoral planes. This means that Member States and Community must act jointly; it also means that Member States benefitting from Community funds should not evade Community controls. Pretending that one is acting in sovereign independence of the others will not do: if I borrow money for a particular purpose, it goes without saying that the person who lent it me is entitled to make sure that the money is indeed spent on the purpose for which it was borrowed. This, I think, is a principle that must be acknowledged by all concerned. It is not a matter of surrendering any of our sovereign rights; the point is that we must realize that we

Lange

are no longer capable of fulfilling certain tasks single-handed. Herein lies the special importance of structural policy, both on the regional and on the sectoral planes, for this single economic policy we are talking about.

There is nothing new in all this; rather it is a repetition of what we have been saying, again and again, on various occasions in the past. I repeat these points now because it seems to me that if we are to achieve the goal laid down for 1980 the conditions I mentioned at the beginning must already have been created and must not still be awaiting realization when 1980 comes. When this moment arrives, things must be in such a state that they can be carried on by the Community—whatever higher form it will have reached by that time—and will not first have to be created.

Before proceeding to the financial sector, I would mention one further point which has found an echo in the Bertrand report. By way of supplementing the energy policy, we also need a single policy on raw materials in order to achieve a unified system for supplying these materials and so make production possible.

If all these things are to be achieved, we must bear the time-limits in mind and devote some thought to the financial foundations of our Community. The Community must be given resources which it can regard as its own, as it does the revenues from customs and levies. Efforts are already being made to introduce such a situation, and these efforts must be encouraged. There may be some differences of opinion as to whether these should be confined to the share in the revenues from the net turnover-tax or the value-added tax laid down in the Treaty; European taxes are conceivable which help the Communities to finance themselves and also help Member States out of the difficulties in which they occasionally find themselves as a result of the way in which the work of the Communities is financed.

All these things must be cleared up before the time-limit is reached; otherwise, discussions on them will not begin until the very year in which the relations of Member States are to be focussed and transformed into a European Union.

Appropriate budgetary powers for the Community are a requirement naturally arising from this. And so I hope—Mr Aigner will also be speaking on this subject for his group—that the institutional problems will be discussed, in one or another connection, at whatever time of the day or night it may be, before this part-session is out. When the financial basis for the work of the Community and of European Union is being laid down, we must ensure—and this

must be in the forefront of our minds—that there is unanimity on the question of which functions are to be left to the Community, which functions are to be carried out by the Member States and which functions may have to be carried out by them conjointly.

If the Community—I am here taking the European Communities as my point of departure—is to be given this financial basis during the preliminary stage in this transformation of relations within the Community into a European Union, then, of course, the individual Institutions must be endowed with the appropriate powers. The decisive point here is that everything which can no longer be controlled or even organized by the national parliaments must, logically speaking, be organized and controlled by this Assembly, the European Parliament, together with other organs of the Community. About this there is no doubt. This means, therefore, that these are problems which, strictly speaking, already exist today and are merely projected into the future; they must be cleared up now, without delay, in order to ensure the necessary conditions for 1980.

If, however, such powers are to be given to the European Institutions, including the European Parliament, the budgetary control aimed at in the present proposals for amending the Treaties must, of course, be tackled, as regards the drawing up of budgets, by Parliament and, as concerns their implementation, by a Court of Auditors as proposed in the treaty. As conceived, this latter body must naturally also find its place in the European Union as an organ of the Communities.

Mr President, I wanted to make these remarks in order to make it quite clear—and I would stress the point once more—that if we are to achieve in 1980 what—as I see it—has been called for, with a large degree of unanimity, by the political groups of this Parliament and is now being called for by Parliament as a whole on the basis of Mr Bertrand's report, then there are things to be done with effect from now and not merely with effect from 1980.

If what the Heads of State or Government have named as tasks for the Community is not to remain an empty formula, if what the Heads of State or Government have recognized as necessary—and we also recognize as necessary—is to be achieved, then the national governments must give proof of their political determination, as has been said here in a number of ways, to find a solution to the questions that now have to be tackled. Only then will the task which the Heads of State or Government have imposed on the organs of the Community appear worthy of credence; only then shall we be

Lange

enabled to tackle these tasks with a little more hope than appears justified at the present moment. I would add that even in the most difficult situations, even in the face of difficulties created by the governments of the Member States, this Parliament has always done what it could to achieve some measure of progress.

It is with these things in mind, Mr President, that I urge the need for tackling the tasks that arise if we are to transform the relations of Member States into a European Union.

(Applause)

President. — I call Mr Aigner to speak on budgetary and financial aspects, Court of Auditors.

Mr Aigner. — (D) Mr President, ladies and gentlemen, in paragraph 3 of the resolution, the Political Affairs Committee rightly speaks of the need for preserving the dynamic character of the Community and in particular of the need for achieving progress by developing a Community budgetary policy. In connection with this demand, which I fully support, I should like to dwell on two points.

First, it goes without saying that the Community must have full sovereignty with regard to Community budgets. For the moment I have no intention of anticipating this afternoon's debate, in connection with which Mr Lange has just raised a number of points; I shall confine myself to making a few brief points and presenting a demand which I regard as essential.

When I speak of sovereignty with regard to Community budgets, I mean, of course, among other things the sovereignty of the body charged with drawing up the Community budget. I would remind the President-in-Office of the Council of a formula which we mentioned yesterday and which I should like to repeat now: we—that is, Parliament and Council—must have the courage to run a calculated risk. For the Parliament, this risk resides in the understandable tendency of the 9 Ministers of Finance to hold back somewhat—and here the risk must be capable of being calculated—and for the 9 Ministers of Finance it resides in the unknown quantity of a sovereign European Parliament endowed with budgetary rights—an unknown quantity because no one knows how it is going to develop. It goes without saying that the finance-policy risk for the 9 Ministers of Finance must also remain within the bounds of calculability. This afternoon we shall discuss our views in detail on the basis of my own report and that by Mr Lange.

Mr President, we also demand complete financial autonomy for the Community, and that means

—here I would repeat what this Parliament has been saying at every available opportunity—that the proposal for a Sixth Directive must be adopted by the Council as rapidly as possible in order that we can abandon the system of financial contributions from Member States and finance the Community entirely out of its own resources. We already have the customs duties and the agricultural levies, and we need the freedom to manoeuvre provided by the value-added tax in order to be able to conduct an autonomous budgetary policy at Community level.

My second observation is connected with this. Even if our final aim is that of a federal state—which I personally could accept without reservation—this does not, of course, imply the right for such a federal state to exercise arbitrary control over the entire financial resources of the Community. As in those Member States which have a federal structure, such as the German Federal Republic, the elaboration of every budget would entail a critical phase in which the distribution of these resources would have to be decided—in our case, between the *Länder* and the federal government. At the moment we are going through a very critical phase of this discussion, a fact which my colleagues will confirm. Even when the final stage has been reached, this will always be a critical phase, a critical procedure as between the Member States and the Community. What I want to say is this: even if we were to set up a federal state tomorrow, the Member States' full budgetary autonomy could not be questioned; nevertheless, the whole of the budgetary policy will have to be harmonized, the distribution of expenditure and, of course, also of revenues from the various possible sources of the Community will have to be coordinated.

Unfortunately, I have only one more minute's speaking-time and can therefore indicate only very briefly what I understand by harmonization of budgetary policy. Even if the full financial autonomy of the Member countries is recognized, the manner in which the national budgets are drawn up affects the general situation in the Community. Drawing up the national budgets has implications for monetary policy as a whole, including the question of money creation, the question of debt ceilings, the whole of revenue policy, the combating of inflation and all the problems of trade-cycle policy. If one bears in mind that 50% of all investments in the Community are public investments, then the importance of considering and pursuing trade-cycle policy with an eye on the harmonization of budgetary policies becomes obvious.

It is also important, of course, that the Community should be in a position to present the

Aigner

various budgetary levels on a comparative basis. We need harmonization. Here again, I must be brief. The financial year must run from 1 January to 31 December. We need a functional budget in order that the various activities in the Member States may be compared not only with one another but also with the progress of tasks at Community level. We need supervision of the final result, a Court of Auditors. All these things have already been mentioned. Naturally—here I express myself cautiously, since in this point I agree with my government, even though it is of another colour—there must be no exaggerated expectations with regard to budgetary solidarity; but it should be clear that it is impossible to build Europe without financial coordination and solidarity. This means that we must also be more prepared to work for a proper institutional guarantee of our joint enterprise. 'Give and take' is the motto of a balanced and coordinated budgetary policy.

I hope that the motion for a resolution will help to draw public attention to this problem.

(Applause)

President. — I call Lord Bethell to speak on Foreign policy, security aspects, development policy.

Lord Bethell. — Two days ago, Commissioner Simonet spoke about a very strange British reluctance to discuss the question of our oil reserves and sharing them with our European partners. He even referred to us, in his charming, jocular way, as suffering from some sort of psychological condition over this matter. In the few minutes that I have available to me I want to mention something which also amounts almost to a psychological reluctance among Members of this Assembly. I refer to the security of the European Union and to the Europe which we hope will come closer and closer as the years progress.

One of the greatest achievements of our nine countries in the last 30 years has been to make it quite impossible for us ever to go to war with each other. For centuries we have been an armed camp in the west of Europe, but for the last 30 years we seem completely to have eradicated that state of affairs. This is a great achievement, and one which will be capitalized upon during the years to come and will become the consolidation of the new European Union.

That does not alter the fact that there is an armed camp a very short distance away from us to the east — only a few hundred kilometres away — and that we are in a state of confrontation with the Warsaw Pact countries. To be precise, it has emerged during recent talks on

mutual balanced force reductions that the Warsaw Pact countries have 1 million men — ground forces — under arms, whereas on the western side there is a considerably smaller number of men under arms — no more than 750 000. It has also emerged that the Warsaw Pact countries have something more than 15 000 tanks only a few miles from the frontier with the German Federal Republic. On our side of the frontier there is a much smaller number of tanks — fewer than 7 000, which is half the eastern number.

On the eastern side of the frontier there is a grave superiority in aircraft; in fact, there is a disparity in armed forces which is extremely great and which is growing greater as the Warsaw Pact, led by the Soviet Union, increases its forces and as we, pressed by certain political forces to believe that money can be saved by disarmament, reduce our own.

I do not want to be alarmist on this occasion, which should be a happy one, when we are looking forward to steps towards union and when Mr Bertrand has, with great care and optimism—which we all share—set out the various steps that he hopes we shall take towards European Union. I simply want to express my satisfaction that in his report Mr Bertrand has seen fit to include the question of security policy and has noted that the powers and responsibilities of the European Union must be progressively widened in the field of security.

I hope that certain of our Members will get rid of what seems to me to be a hang-up in this matter—if the translators have difficulty in dealing with that expression, I can perhaps define it as an illogical, strong emotional reluctance to discuss it or to turn their attention to it —because we may become rich; we may become united; we may become friendly among ourselves; we may become a European Union; but if we cannot guarantee our own security we have nothing.

President. — I call Mr Blumenfeld.

Mr Blumenfeld. — *(D)* It is undoubtedly only by chance and yet a little symbolical that at the end of our debate we should be discussing the questions of common foreign and security policy as contained in the Bertrand report.

On behalf of the Christian-Democratic Group, I should like to state quite clearly that we regard a Community foreign and security policy as an essential component of a European Union, of a Europe on the way to unification. Mr Bertrand's report rightly stresses that foreign policy is one of the primary elements of European Union and

Blumenfeld

that foreign policy and security policy are linked together and cannot be separated.

I would remind all of us in this House that the Summit Conference held in Copenhagen on 14 December 1973 declared: 'The Nine, one of whose essential aims is to maintain peace, will never succeed in doing so if they neglect their own security'. The declaration adopted by the North Atlantic Council on 19 June 1974 in Ottawa states among other things:

'...the further progress towards unity, which the Member States of the European Community are determined to make, should in due course have a beneficial effect on the contribution to the common defence of the Alliance—that is, NATO—of those of them who belong to it'.

In a very interesting contribution yesterday, Mr Michael Stewart spoke of how the defence of Western Europe is bound up with the North Atlantic Alliance. I completely agree, and would only add that in May of this year the Assembly of the Western European Union—they are, after all, our colleagues who sit in the Assembly of the Western European Union and occupy themselves with defence and foreign policy so far as the European Member States are concerned—emphatically called upon the Member States of the European Community to adopt a common security policy within the Atlantic Alliance.

As a first step towards transforming political cooperation—which, I would add, has so far been non-obligatory—the Bertrand report proposes in paragraph 11 that we should really begin to operate as a Community through an extension of the rôle of the Council Secretariat and entrust this Secretariat with the organization of regular conferences of foreign ministers.

What I want to say, Mr President, is that, instead of coordinating the foreign and security policies of our Member States in a manner which is merely sporadic and non-committed, in future we will need a genuine Community policy in this sphere as well, which, of course, implies the need for the appropriate Community powers. Foreign and security policy *à la carte*, ladies and gentlemen, will not work. What has each year so far been lavished in Europe from our none-too-abundant resources on armaments, thanks to our individual national development programmes and armaments policies running in parallel, could very well have been devoted—and, in my view, should have been devoted—to other purposes serving our peoples' interests such as social and educational projects.

In conclusion, Mr President, I would say that we must go far beyond the first timid attempt made in this Parliament—the report presented by Lord Gladwyn on behalf of the Political Affairs Committee—and recognize beyond all

doubt that the threat to a free Europe remains undiminished. Events in Europe, the Near East and the Far East make it plain how urgently we need a common foreign and security policy, how important it is to achieve solidarity and speak with a single voice. Here is a great task and a great chance for the European Council. This policy should now be energetically pursued, at least by those countries which are prepared to do so.

(Applause)

President. — The Christian-Democratic Group has used up its speaking time, but the Assembly will no doubt allow Mr Deschamps to speak on development policy?...

I call Mr Deschamps.

Mr Deschamps. — (F) A Europe faithful to the principles on which it has been founded, worthy of the confidence placed in it by so many peoples throughout the world, capable of rising to the expectations it has inspired and of fulfilling the commitments it has undertaken—that, in a phrase, is the Europe on which, in the Christian-Democratic view, we have been called upon to work in concert.

But this phrase is one which I heard recently in Abidjan, almost word for word, from one of the most respected leaders of those 46 countries of Africa, the Caribbean and the Pacific with whom we have negotiated and signed the Lomé Convention. This will give some measure of our surprise—and of the surprise which will doubtless be felt to an even greater degree by the leaders of these countries—at finding that the report of the European Parliament contains no mention of cooperation and development policy in the list of those policies which are to be assigned to the future European Union.

I cannot believe that this is due to an oversight or to any unawareness of the importance of this policy in the activities of our Community. There must, therefore, be some explanation, and two have already been offered to me.

The first is that the Community has not had to await European Union before conducting a policy of cooperation with the Third World. Indeed, this Parliament has signed the Lomé Convention and approved its implementation on a transitional basis with effect from 1 July.

Moreover, thanks to Mr Cheysson, this Parliament has had an opportunity of voting on a veritable charter of development cooperation, while Mr Ortoli, in the report he presented to us at the beginning of the year, told us that this cooperation policy was one of those sectors in

Deschamps

which the Community had shown itself most worthy of the hopes placed in it.

The second reason for the absence of all formal mention of cooperation policy in Mr Bertrand's report is that in fact this policy is everywhere implied in this report.

When paragraph 1 of the resolution states that European Union is to 'reduce tension... by peaceful means throughout the world' and 'oppose resolutely any cause of conflict', cooperation policy is obviously meant, since there is no more serious cause of conflict or threat to peace and liberty than the ever-increasing gulf which separates the developing countries and peoples from the industrialized nations. There is no doubt that cooperation policy is what we are counting upon to fill this gulf.

Cooperation policy is again indicated in paragraph 2, which says that the European Union is to 'undertake duties which the Member States can no longer effectively carry out alone'. The Lomé Convention is proof in itself that, in the sphere of cooperation, a single Community policy is desired, is accepted and is effective where bilateral agreements are no longer possible or have proved themselves to be deplorably inadequate.

Paragraph 3 of the resolution states that 'the dynamic character of the present Community must be preserved in full'. One may ask whether there is any better example of the Community's dynamic character than the Lomé Convention, which represents a single dynamic driving-force for all concerned, for the Europeans and for their partners.

Finally, when the rapporteur, in his explanatory statement, declares that 'foreign policy is one of the primary elements of the Union since this alone will enable it to affirm its identity in international relations', he is obviously understanding foreign policy in its widest sense to include cooperation policy. Moreover, this has been explicitly stated by the Commission in its report and by Mr Ortoli today in his verbal report.

It is clear, therefore, that cooperation policy is implied throughout the whole of Mr Bertrand's report as one of those to be assigned to the European Union. Nevertheless, there is an old saying that that which is understood is understood even better if stated, and I am sure that Mr Tindemans, for whom our report is intended, will bear this observation in mind when drawing up his report for the Heads of State or Government and will tell them unambiguously that the European Union, as such, must be endowed with the appropriate powers with regard to cooperation and development. In doing so, he will, I am

sure, be transmitting a wish of this Parliament which is no less real for not having been explicitly stated in this report.

Finally, I am convinced that this will enable the European Union to live up to its fundamental principles by remaining outward-looking, to justify the confidence placed in it by so many peoples, more particularly by the 46 countries with whom we have signed the Lomé Convention, and to make an effective contribution to liberty, justice and peace in the world.

(Applause)

President. — I call Mr Bertrand.

Mr Bertrand, rapporteur. — (NL) Mr President, I feel it is fitting, at the end of this debate, for the rapporteur first of all to stress his great satisfaction at the way in which the whole Assembly has taken part in this debate on a question we are discussing so extensively for the first time. I am convinced that the contributions all Members have made to this debate will be continued and will be echoed in the various countries, in their own political parties and also in all economic, social and financial circles interested in the further development of the European Community in the broad sense.

I should also like sincerely to thank everyone for the way in which they have helped to give more content and greater depth to the resolution that we are now discussing.

I hope no one will mind if I particularly thank Mr Stewart openly and sincerely for his notable statement which has given us a lot of hope. I am thinking particularly of his words about the development that is taking place in the United Kingdom and that is continuing now after the referendum. We are extremely grateful to Mr Stewart for that. He has not yet had a chance to go fully into the work that we have carried out over a period of 2 years. Nevertheless, on behalf of his Socialist friends, Mr Stewart has come here to say that they will not speak out against the ideas incorporated in this report, although they will abstain from voting. Mr Stewart, may I, after the statements from the members of your delegation, ask you to reconsider whether you cannot take a positive stance in the final voting.

It has surprised me that various Members, from all political groups, have dealt with particular themes that come up in the report. There has been mention of the need to bring about monetary union first. I am thinking particularly of the statement by Mr Howell, who seemed disappointed with the report. He thought that it was monetary union that had to be achieved first of

Bertrand

all. I hope, however, that he understands the consequences of his words. If monetary union is to be achieved, new institutions must be set up. It is not possible to create a European currency without a central body with the necessary powers to administer the currency. That would mean the acceptance of revolutionary amendments to the Treaties. I am pleased with that position but I will say to Mr Howell that monetary union cannot be achieved unless the institutional structure your rapporteur proposes is accepted. The central decision-making body proposed by us will be able to create a central bank, create a currency and fix the value of that currency.

Mr Kirk, we fully agree that we ought in fact to make more rapid progress than we ourselves have proposed hitherto. One of the members of your group has given me very powerful arguments for that.

Mr President, I have listened with very great attention to Mrs Ewing, who has represented Scotland in this debate. I should first of all like to congratulate her on the convincing way in which she has advocated the independence and right to self-determination of her own nation. I can understand her very well, for I am a Fleming, and we Flemings have had to wage the same struggle for recognition for our own character, our own language, our own culture and our own rights in the Belgian state.

I can understand Mrs Ewing very well, I am very close to her position, and I would like to ask her to re-read my explanatory statement. On page 11 of my report, I say that the pluralism of the Community should be manifest in participation in the decision-making process by all currents of political thought, representing the various national, regional, ethnic and cultural communities. Structurally, it will be based on a flexible distribution of responsibilities between the Community, national and regional levels. I fully agree that this formula must be sought in a unitary organization, able in the future to create flexible opportunities.

I would ask those members who have talked about monetary, economic, social, foreign and defence policy to read the verbatim report of this debate. They will then come to the surprising conclusion that the report I have presented on behalf of the Political Affairs Committee is practically a synthesis of the positions that they have defended here. All the speakers have said in their contributions to this debate what ought in their opinion to happen.

There is, however, wellnigh unanimity in this Parliament that it is the Political Affairs Committee's resolution that must be taken as the

basis, so as to achieve gradually, step by step, what the Member States can no longer cope with by themselves. I have listened with great attention to Mr Springorum, Mr Lange and Mr Aigner, to the various members of the Liberal Group, particularly to Lord Gladwyn, and also to the Socialist Members. All of them are of the opinion that in a great number of areas the Member States can no longer achieve anything by themselves. I hope they will draw from that the logical conclusion that the Member States ought to act together. If the Member States are to act together, the form in which that is to take place must be indicated. It is not sufficient to come here and say what ought to be done, we ought also to decide how it ought to be done, otherwise we are not doing our job. It is up to us to give the Heads of Government the necessary indications.

There is agreement that in certain areas there ought to be joint approaches. I have on behalf of the Political Affairs Committee attempted to indicate what has to be done in the future. There may well be differences in the content, significance and form of particular actions, but fundamentally everyone in this House agrees that another form has to be found if Europe is to be able to meet the challenge made to it at world level.

The President of the Commission of the European Communities stated here last year in March that the position of Europe in the world has deteriorated, that it no longer fulfils the important role in the international forum that it formerly had. If that is so, we have to look into the ways of stopping this decline, so that Europe can again take up an important place in the world.

Mr President, it is my deep conviction that world peace cannot be promoted, that relations between the developing areas and the rich countries and relations between east and west in the context of the détente policy cannot be improved, unless Europe plays its role as intermediary. It must form a unit striving towards peace, refusing to participate in exaggerated arms races and taking no doctrinaire anti-democratic positions, and must be characterized by its cultural development, high level of civilization and humane outlook. Europe should act as a unit towards the other great powers, on economic, cultural, financial and military levels. Europe has an essential role to fulfil which the Member States individually cannot play.

Tomorrow, we will be able to play that role, and we shall have authority and influence if we do it as a Community. Let us present our position to the heads of government who have asked for it in a definite form, even if the form is not

Bertrand

beyond criticism. That is unavoidable. I know no human proposal that is perfect, just as I know no perfect man. The world would be unbearable if men were perfect. It would no longer be worth living.

It is, then, an imperfect proposal, but it has the merit that with it we are making an attempt to take definite steps as a Community. I am convinced that we will be doing our countries and the people who live in them a great service if we can plot a course. Then we need no longer be travelling in the fog, and our efforts will not have been in vain. We will need all our powers to maintain our presence in the world of tomorrow.

(Loud applause)

President. — We shall now consider the motion for a resolution. Amendments Nos 8, 40 to 46 and 50, 51 and 53 have been withdrawn.

I propose that, as we did recently for the vote on Mr Scott-Hopkins' report, speakers on amendments should be limited to three minutes. Are there any objections?

That is agreed.

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1 I have Amendments Nos 10, 11, 19, 20, 21 and 2, some of which can be considered jointly. The amendments are worded as follows:

— Amendment No 10 tabled by the Socialist Group:

"Paragraph 1 - first indent:

Delete the word:

'increasingly'

Delete the words:

'for liberty'

and replace them by:

'for fundamental liberties'

Reverse the order of the last two indents of paragraph 1.

In the original last indent, delete the word: 'even'."

— Amendment No 11 tabled by the Socialist Group:

"Paragraph 1, second indent

This indent to read as follows:

'—to promote social justice through *inter alia* the establishment of an economic order...'

(rest unchanged)"

— Amendment No 19 tabled by Mr Kirk on behalf of the European Conservative Group:

"Paragraph 1

Second indent - first line:

for 'based on' substitute 'and'."

— Amendment No 2 tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats:

"Paragraph 1

At the end of the second indent of this paragraph, delete the words: 'and wealth'."

— Amendment No 20 tabled by Mr Kirk on behalf of the European Conservative Group:

"Paragraph 1

Second indent - third line:

for 'ensuring' substitute 'designed to ensure'."

— Amendment No 21 tabled by Mr Kirk on behalf of the European Conservative Group:

"Paragraph 1

Fourth indent - first line:

Delete 'to oppose resolutely any cause of conflict or even tension, in order'..."

I call Mr Corterier to move Amendments Nos 10 and 11.

Mr Corterier. — (D) Mr President, by tabling Amendment No 10 to paragraph 1, the Socialist Group mainly wanted to improve the wording. It proposes to delete a few words in the first indent, while in the last indent of this paragraph it considers that we should oppose any cause of conflict or tension and not 'any cause of conflict or even tension'. That is, I think, an improvement in the wording rather than anything else.

We further thought that the word 'liberty' should be replaced by 'fundamental liberties' because the latter is a more general formula which corresponds more closely to what we are aiming at.

The purpose of our Amendment No 11 to the second indent of paragraph 1 is also to improve the wording and also to extend the meaning by adding the words '*inter alia*'. We find the present wording a little too narrow in scope.

President. — I call Mr Kirk to move Amendments Nos 19, 20 and 21.

Mr Kirk. — Amendment No 19 is largely verbal. We feel it is difficult to base anything on solidarity, if the English language means anything, and that certainly social justice is difficult to

Kirk

base on solidarity between Member States. It would be better worded 'to promote social justice and solidarity between the Member States', which is clearer for the general public to read.

Amendment No 20 is again largely verbal. We do not change the thinking here. However, it is absolutely impossible to guarantee full employment in any circumstances. What we surely mean is policies 'designed to ensure' full employment. That is the purpose of the amendment.

Finally, on Amendment No 21, our problem here is that if one says as flatly as this 'to oppose resolutely any cause of conflict or even tension' one is ruling out from the union quite a large number of areas which either are or expect to be in the Community. Tension is very much apparent, for instance, in parts of Ireland and certainly in the eastern Mediterranean where two associated states wish to join with a view to membership. It would be very much better to express this thought, which should certainly be here, simply by the words 'to contribute towards the maintenance of peace and freedom'.

President. — I call Mr de la Malène to move Amendment No 2.

Mr de la Malène. — (F) Mr President, our amendment is self-explanatory, and I have no need to offer any comment.

May I point out that there is, I think, a difference between the German and French versions and that the meaning is by no means the same in the two languages.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (NL) Mr President, I would ask you to have separate voting on the two parts of Amendment No 10. I agree with the first part of the amendment, deleting the word 'increasingly'.

I am, however, against introducing the word 'fundamental' as proposed in the second part of the amendment, since it has a restrictive effect. If the text reads 'liberty' and nothing else, then that has to do with all aspects of liberty. If the word 'fundamental' is put in in front, there will have to be discussions about what is a 'fundamental' liberty and what is not. It is a restrictive term, by comparison with the view that we have of liberty as a whole.

President. — I put the first sentence of paragraph 1 to the vote.

It is adopted.

On the first indent I have Amendment No 10.

I put to the vote the first change proposed by the amendment.

This part of the amendment is adopted.

I put to the vote the second change proposed by the amendment.

This part of the amendment is rejected.

We shall now consider Amendment No 11.

What is the rapporteur's position?

Mr Bertrand, rapporteur. — (F) I ask the House to reject the first part of Amendment No 11, deleting the words 'based on solidarity between the Member States and the citizens of the Community', since solidarity between the Member States and the citizens of the Community is a fundamental element of the Community. Without solidarity we run the risk of relapsing into national egoism and of encountering the conflicts which this provokes. To accept this point would be tantamount to abandoning part of the very foundation of the Community and of European Union.

On the second part of the amendment, introducing the words '*inter alia*' my reaction is favourable.

President. — I call Mr Corterier.

Mr Corterier. — (D) In view of what the rapporteur has just said, I must clarify our point of view. It goes without saying that the Socialist Group, too, considers solidarity between the Member States of the Community to be essential for the achievement of the Union. Nevertheless, the phrase about solidarity between the Member States and the citizens of the Community is here nothing but an empty formula, and that we should beware of. What we want to say is that the Union should promote social justice, a just economic order, full employment and so on, and in this connection the phrase about solidarity between the Member States and citizens of the Community is irrelevant. That, and not any opposition to solidarity, is our reason for wanting to remove the phrase.

President. — I put Amendment No 11 to the vote.

Amendment No 11 is rejected.

We shall now consider Amendment No 19.

What is the rapporteur's position?

Mr Bertrand, rapporteur. — (F) I am in favour of this amendment.

President. — I put Amendment No 19 to the vote.

Amendment No 19 is adopted.

We shall now consider Amendment No 2.

What is the rapporteur's position?

Mr Bertrand, rapporteur. — (F) Mr President, I prefer to retain the words 'and wealth' because that means that any future increase in wealth will also entail the need for an equitable distribution. I therefore advocate the retention of the words 'and wealth'.

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

Amendment No 2 is rejected.

We shall now consider Amendment No 20.

What is the rapporteur's position?

Mr Bertrand, rapporteur. — (F) I am opposed to this amendment.

President. — I put Amendment No 20 to the vote.

Amendment No 20 is rejected.

I put the third indent of paragraph 1 to the vote.

The third indent is adopted.

The fourth indent of paragraph 1 forms the subject of Amendment No 21 and the third part of Amendment No 10.

What is the rapporteur's position?

Mr Bertrand, rapporteur. — (F) Mr President, I invite our Conservative friends to withdraw their amendment. A political Community cannot remain passive in the face of causes of conflict or tension, and Mr Kirk's text makes no allusion to this. That would be a completely passive attitude, ill becoming a future political Community which must tackle causes of conflict or tension in order to prevent such conflicts. That is its rôle on the world arena. I therefore ask Mr Kirk to withdraw his amendment.

President. — Mr Kirk, are you maintaining your amendment?

Mr Kirk. — Yes, Mr President.

President. — I put Amendment No 21 to the vote.

Amendment No 21 is rejected.

What is the rapporteur's position on the change proposed by the third part of Amendment No 10?

Mr Bertrand, rapporteur. — (F) I am in favour of this amendment.

President. — I put the third part of Amendment No 10 to the vote. It is adopted.

What is the rapporteur's position on the fourth part of Amendment No 10?

Mr Bertrand, rapporteur. — (F) I am in favour of this amendment.

President. — I put to the vote the fourth part of Amendment No 10.

The fourth part of Amendment No 10 is adopted.

I put to the vote the whole of paragraph 1 incorporating the various amendments that have been adopted.

Paragraph 1 is adopted.

On paragraph 2 I have three amendments: worded as follows:

— Amendment No 49, tabled by Mr Vernaschi on behalf of the Christian-Democratic Group:

"Paragraph 2

'Amend the beginning of this paragraph to read as follows:

'2. The European Union must be brought about progressively by means of more rational and efficient forms of relations between Member States, taking existing Community achievements...'

(rest unchanged)"

— Amendment No 22 tabled by Mr Kirk on behalf of the European Conservative Group:

"Paragraph 2

fourth line,

for 'introduction' substitute 'continuation and development'."

— Amendment No 13 tabled by the Socialist Group:

"Paragraph 2

In this paragraph, delete the following:

'...undertaking duties which the Member States can no longer effectively carry out alone,'"

These amendments can be considered jointly.

I call Mr Kirk to move Amendment No 22.

Mr Kirk. — This amendment is designed to clarify more than anything else. The text refers

Kirk

to 'the introduction of a *single* organization'. But we already have such an organization and as, presumably, we are to build upon existing achievements, we must surely mean the continuation and development of the single organization and not the introduction of a new one.

President. — I call Mr Corterier to move Amendment No 13.

Mr Corterier. — (D) We do not find this wording very clear, and the amendment aims at improving it.

President. — I call Mr Giraud to move Amendment No 49.

Mr Giraud. — (I) The Italian text of the motion for a resolution reads very badly, since the word 'organization' occurs twice. The text is: 'l'Unione europea, che darà un'organizzazione'... 'al fine di pervenire ad un'unica organizzazione.'

I therefore think it would be better to replace the first part of the phrase with the following:

'The European Union must be brought about progressively by means of more rational and efficient forms of relations between Member States', and leave the rest of the sentence unchanged.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (F) Mr President, I give Amendment No 49 my approval but oppose Amendment No 22, because this single organization does not yet exist. Why, therefore, speak of 'continuation and development'? I prefer the original wording, which by implication speaks of the creation of a single organization.

As to Amendment No 13, so far from simplifying the text, this concerns the substance. The debate has been about those things which Member States can no longer carry out on their own, and to delete these words in the resolution would be to deprive it of its substance. I therefore ask the House to reject this amendment.

President. — I put Amendment No 49 to the vote.

Amendment No 49 is adopted.

I put Amendment No 22 to the vote.

Amendment No 22 is rejected.

I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, we withdraw Amendment No 13.

President. — Amendment No 13 is accordingly withdrawn.

I put paragraph 2 so amended to the vote.

Paragraph 2 is adopted.

On paragraph 3 I have six amendments worded as follows:

— Amendment No 24 tabled by Mr Kirk, on behalf of the European Conservative Group:

"Paragraph 3 (existing paragraph)

Delete the present text and substitute:

'The dynamic character of the present Community must be preserved in full and, by making maximum use of the possibilities offered by the provisions of Article 236 of the EEC Treaty, its powers and responsibilities should be progressively extended to all those sectors of activity in which the Member States recognise the necessity for, or the advantage of, the joint exercise of their sovereignty through the institutions of the Community.'

— Amendment No 14 tabled by Mr Albers, Mr Broeks, Mr Van der Hek, Mr Laban and Mr Patijn:

"Paragraph 3

This paragraph to read as follows:

'3. The Community should be progressively developed, respecting the essential interests of the Member States among others in the following spheres:

- (a) social and regional policy;
 - (b) economic and monetary policy;
 - (c) budgetary policy;
 - (d) policy on energy and raw materials;
 - (e) a scientific and technical research policy;
- in order to achieve a European Union whose responsibilities would include:
- (a) foreign policy, for which the existing co-ordination procedures must be strengthened;
 - (b) education policy.'

— Amendment No 3 tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats:

"Paragraph 3

After the words:

'in full'

insert the following:

'... common policies, in particular in the field of agriculture, must be fully implemented,...'
(rest unchanged)"

— Amendment No 1 tabled by Mr Laban:

"Paragraph 3

After paragraph 3 (c), insert the following new 3 (d), old points (d), (e), (f) and (g) becoming new (e), (f), (g) and (h).

President

'(d) educational policy, the inclusion of which, within the framework of Community developments, is essential to the effective implementation of other policy sectors, especially in respect of social and employment questions, and to the achievement of the best possible living and working conditions for all citizens.'

— Amendment No 54 tabled by Mr De Keersmaecker and Mr Zeller:

"Paragraph 3

The beginning of this paragraph to read:

'3. The dynamic character of the present Community must be preserved in full, the necessary powers must be progressively increased and transferred to the Union so that a common policy can be established in the following fields:'

(rest unchanged)"

— Amendment No 15 tabled by the Socialist Group:

"Paragraph 3

The final sentence, immediately before paragraph 4, should be reworded as follows:

'The Union, based on the collective exercise of common responsibilities, must remain open to new tasks.'

I call Mr Kirk to move Amendment No 24.

Mr Kirk. — I explained this fundamental amendment yesterday. We gravely doubt the wisdom of including a catalogue, because thereby one is bound to include certain things that one does not particularly want or to exclude certain things that one does want. Our amendment would enable the Community to develop, under Article 236, on the broadest possible front.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (NL) Mr President, I would ask the Assembly not to accept this amendment, since it is worded so generally as to deprive the motion for a resolution of content.

What Mr Kirk is proposing is to delete all the lettered subparagraphs. But we felt it was necessary to let Mr Tindemans know what problem areas can no longer be dealt with by the Member States separately, so that they should have priority on the list of powers of the European Union, when the Heads of Government decide to set it up.

If Amendment No 24 tabled by Mr Kirk is adopted, the text becomes too general and everything is left to the governments, without the European Parliament's opinion being secured. In its report, the Commission went very extensively into these powers. We would therefore be too vague if we accepted this amendment.

I therefore ask the Assembly not to accept this amendment, so as not to deprive paragraph 3 of its essential content.

President. — I call Mr Jahn.

Mr Jahn. — (D) On the question of supplementing the catalogue, I believe I can say on behalf of my friends that we must also include policy on health and the environment, for here we already have an integrated policy.

President. — I put Amendment No 24 to the vote.

The amendment is rejected.

I call Mr Van der Hek to move Amendment No 14.

Mr Van der Hek. — (NL) Mr President, I think Mr Broeks explained thoroughly in the debate yesterday why this amendment has been tabled. It runs somewhat along the lines of the amendment by Mr Kirk. We feel that during the transitional period, in a number of areas, which we have not exhaustively summarized but merely given examples of, cooperation must be strengthened. We also think that once the European Union is set up, foreign policy and education policy will have to be among its tasks.

It must be made clear that we in no case want defence policy to form part of the tasks of the European Union, since we feel other international forums are more suitable for that.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (NL) Mr President, this is a double amendment, that in the first place deletes sub-paragraph (b), security policy. The Political Affairs Committee has stated its opinion on this, and leaves it up to Parliament whether it wishes to accept this part of the amendment or not. For its part, the Political Affairs Committee takes the position that the security element ought to remain within the terms of reference of the European Union.

Secondly, the emphasis is shifted. The amendment uses the following words: '... in order to achieve a European Union whose responsibilities would include...'. But if we really want the Community to acquire a genuine European identity, we must include foreign policy among the primary tasks. There are existing coordinating procedures at intergovernmental level. We want foreign policy to be integrated in the joint preparation of the European Union, and I therefore find it strange for foreign policy now to be put

Bertrand

in second place. I would therefore ask the Assembly to reject this amendment.

As far as the proposal to include education policy is concerned, I would note that we can add anything: education policy, environment policy, youth policy and so forth. What we want above all to emphasise at this point, however, is that the tasks that the Member States can no longer carry out by themselves ought to be transferred to the European Union. At present, however, the Member States can each carry out a youth policy, or for instance an education policy. We therefore ought not to add these sectors to the text, since that weakens the resolution.

For these reasons, I would ask the Assembly to keep to the original text proposed by the Committee and reject Amendment No 14.

President. — I call Mr Corterier.

Mr Corterier. — (D) I think that one point needs correcting. My group colleague, Mr Van der Hek, spoke about defence policy as being something which should be included in this catalogue. That is not correct, we are speaking only of security policy. I would point out that this is a much broader concept which does not have the same significance as defence policy.

President. — I put Amendment No 14 to the vote.

The amendment is rejected.

I call Mr de la Malène to move Amendment No 3.

Mr de la Malène. — (F) The amendment is self-explanatory and needs no further comment.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (F) I prefer to maintain the committee's wording because it is complete, whereas the proposed amendment is restrictive.

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

The amendment is rejected.

I call Mr Laban to move Amendment No 1.

Mr Laban. — (NL) Mr President, I would first of all like to remove a misunderstanding. The French text of my amendment uses the words 'la politique de l'enseignement', but that ought of course to be 'la politique de l'éducation', as in the original Dutch text.

I would however like to explain this amendment further, especially since the rapporteur has already talked on this point in discussing the amendment just rejected. To allow no misunderstanding, I should like to state that it is essential to expand the Treaty in order to include education in the process of developing the Community. This does not, of course, mean the unification or harmonization of the various education systems. The Parliament and the Council have already decided on a programme of cooperation, but I should like above all to point out how essential it is to strengthen the interplay between education and the other policy sectors, since it is in the interests of the Communities to improve opportunities for further education and training of individuals during their whole working life, and especially such opportunities for young people, by bringing policy on vocational training, for which there is already a legal basis, and education policy closely into line and making them interdependent. The constant stumbling block is that we cannot carry on an education policy because attention is only paid to education when it comes to discussing harmonization of diplomas and to the extent that it is included in the social paragraph, which only mentions vocational training.

I would therefore particularly value the explicit inclusion of education policy in the list of tasks.

That is important. The difficulty is that we can always develop initiatives, but that there are always problems when it comes to the legal basis that has to form the starting point for them.

We think that education policy is so important for all other policy sectors that the powers and tasks of the European Union must also be extended into that area. I would therefore ask the Assembly to accept my amendment.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (NL) Mr President, I would ask Mr Laban not to force an open door. His amendment is thoroughly at home under social policy. It is obvious that everything to do with social questions, employment, or the harmonization of technical education belongs under social policy. Social values are secured by better upbringing and better education. It is therefore not necessary explicitly to incorporate a special paragraph here. That can only give rise to confusion.

President. — I call Mr Laban.

Mr Laban. — (NL) Mr President, I can understand the rapporteur's interpretations. It has

Laban

already been pointed out to me that by comparison with the other sub-paragraphs the text I have proposed is too long.

I would therefore propose that 'education policy' alone be included as point (d). The rest of my text can then be deleted.

I would ask you, Mr President, to have my amendment voted on in that form.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) In that case I would ask the rapporteur to reconsider his position. As it is now, Mr Laban's amendment coincides with an amendment tabled by my group.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (F) Mr Fellermaier, then we have to add the environment, we have to add the youth policy, we have to add the whole lot. If you make an exception for something which is the sole concern of the Member States, you limit the scope of our paragraph 3, which is intended for Mr Tindemans and the Heads of government.

I would ask you to think again, for there are many other spheres that could be added to the list. We have kept no more than seven or eight items, precisely because we wanted to indicate what we considered to be absolutely essential from the beginning of the European Union's existence.

I ask for the amendment to be rejected.

President. — I put the new version of the amendment to the vote.

Amendment No 1 so amended is adopted.

I call Mr de Keersmaeker to move Amendment No 54.

Mr De Keersmaeker. — (NL) Mr President, Mr Zeller and I tabled this amendment since it gives a better formulation as regards the recognition, transfer and extension of the powers of the European Community. What we are in fact proposing is to delete from paragraph 3 of the motion for a resolution the phrase 'respecting the essential interests of Member States', which does not mean that we think Member States' interests should be ignored. On the contrary, it will hardly surprise you that I, as a representative of a small country, am in favour of giving consideration to those interests. Another reason why we want to drop this paragraph is that we think that the reference to respect for the es-

sential interests of Member States belongs in paragraph 4, which proposes an institutional structure, and in paragraph 11 which deals with improvements to the Community decision-making-process, but not in paragraph 3, which deals with the extension of the powers of the European Community.

What is important is unanimity on the setting up of a European Union, which of course must take account of Member States' interests. But the priority is to indicate what the European Community should be able to do. There is unanimity on that. But we ought to give criteria for that.

It is often said that a good criterion is, can it be done better in the European Community? We agree with that, but unfortunately that is only in the explanatory statement to this report and not in the motion for a resolution. The sole criterion embodied in the first part of this paragraph is the reference to respect for the essential interests of Member States. We know, however, that in the past playing off national interests against each other has been an obstacle to the further development of the European Community and to the setting up of the European Union. Accordingly, for the sake of political clarity, we would like to delete this phrase from paragraph 3.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (NL) Mr President, I prefer to maintain the Political Affairs Committee's text, since it clearly says what we intend. It says, 'the powers and responsibilities of the Union must be progressively widened'. That means, when the Union is there. Mr De Keersmaeker's text reads:

'The necessary powers must be progressively increased and transferred to the Union.'

He does not say what those powers are. I was not talking about something that ought to be transferred to the Union, but about the powers and responsibilities of the Union once it exists.

Our text is clear, but the text proposed by Mr De Keersmaeker can give rise to confusion. I therefore urge the maintenance of the Political Affairs Committee's text.

The second aspect is the proposal to delete the phrase 'respecting the essential interests of Member States'. Unless we give the Member States, who have to ratify the Union in their parliaments, an assurance that the Union will respect their essential interests, there is not a single parliament that will ratify it. That is absolutely clear.

Bertrand

Secondly, this refers directly to the institutional structures. In paragraph 4, we express the wish for the inclusion in the future institutional structure of a body that can defend the interests of Member States in the decision-making process. We therefore must say that we wish to see the progressive widening of the powers we are now talking about, respecting the essential interests of Member States. Psychologically, that is of essential importance if we want to get cooperation from the Member States. I am thinking not only of the Danish opposition in this House, but also of the opposition that will run through all the political groups as soon as we have to defend this in our national parties and national parliaments. I would therefore urge that the first part of the text of paragraph 3 be accepted in the form drawn up by the Political Affairs Committee after prolonged debate. Originally, there were 11 amendments to the original text. We finally reached agreement on the text we have now put before Parliament. I am afraid that any change might cause this fragile element to crumble.

President. — I call Mr De Keersmaecker.

Mr De Keersmaecker. — (NL) Mr President, I still think it would have been enough to say that in paragraph 4. But in the light of the interpretation the rapporteur gives this phrase I withdraw the amendment.

President. — Amendment No 54 is accordingly withdrawn.

I call Mr Corterier to move Amendment No 15.

Mr Corterier. — (D) Mr President, the Socialist Group takes the view that in this connection the concept of sovereignty is a rather difficult one, since it is subjected to widely varying interpretations in the various Member States of the Community and also in various legal circles represented in the Community. Consequently, its use in this connection might well give rise to misunderstandings. We therefore propose a wording which in our view is clearer and to which we could all more easily agree.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (NL) Mr President, the collective exercise of common responsibilities already exists. We do not have to say it, therefore. Everything that happens in the Community happens on the basis of collective responsibility, through the Commission, through its right of initiative and through proposals via the decisions of the Council.

What is comes down to now is this: it is clear that if we are urging that these powers be exercised by a European Government, constituted independently of the national governments and responsible to a European Parliament with a two-chamber system, we must stress that this leads to a joint exercise of sovereignty, and not to a collective exercise of common responsibilities, since that exists already.

The European Union will have a different structure from the Communities, with its dualistic system of two decision-making bodies dependent on each other. There will be a European Government counterbalanced by a directly-elected Parliament, with a second chamber in which Member States' interests are represented.

What surprises me is that this amendment comes from our Socialist colleagues, who are faced in their group more than their colleagues in any other group with the problem of sovereignty.

I am therefore in favour of keeping the joint exercise of sovereignty as an essential element of the Community cooperation of the Member States in the future. Consequently, I advise the rejection of Amendment No 15.

President. — I put Amendment No 15 to the vote.

Amendment No 15 is adopted.

I call Mr Van der Hek for a procedural motion.

Mr Van der Hek. — (NL) Mr President, I would ask you to have paragraph 3 (b), on security policy, voted on separately.

President. — I call Mr Jahn.

Mr Jahn. — (D) Mr President, now that we have abandoned, on the basis of an amendment tabled by the Socialist Group, the principle which was adopted in the Political Affairs Committee and have included educational policy, I would ask for the inclusion of health and environmental policy. Otherwise, an essential factor will be omitted from the list and this will be frowned upon outside. The House has the sovereign right to adopt this decision.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr Jahn's interpretation is wrong. Nothing additional has been included: a printed amendment tabled by Mr Laban has had its wording altered, but the substance remains the same. There has therefore been no violation of the Rules of Procedure.

President. — I call Mr Lückner.

Mr Lückner. — (D) Mr President, may I reply to Mr Fellermaier? What he says is not disputed in the least. The list of policy sectors which had been specially drawn up by the Political Affairs Committee has—with a change of wording—been extended to include educational policy. Mr Jahn's argument is that once we have increased the list to include educational policy, protection of the environment should also be included. That is how I understood Mr Jahn, and I assume he was proposing an amendment to include protection of the environment in the list as well.

President. — I call Mr Broeks.

Mr Broeks. — (NL) Mr President, I should like to support what Mr Van der Hek has said. Some Members of this Parliament will make their final decision on the resolution in the Bertrand report dependent on the decision on security policy. For a number of Members, it is a matter of principle. They will not be able to approve the Bertrand report if security policy is kept in the list. They would like to have a chance to make their position on this matter clear.

President. — I call Mr Lückner.

Mr Lückner. — (D) Mr President, Amendment No 50, tabled by Mr De Keersmaeker, was withdrawn on the assumption that the list would not be extended. Now, however, the list has been extended; and the question arises whether it would not be legitimate to table once more Amendment No 50.

I merely wish to draw attention to the question of correct procedure. According to our Rules of Procedure, it is possible to re-table an amendment after it has once been withdrawn.

President. — I call Mr de la Malène.

Mr de la Malène. — (F) Mr President, we have voted on a number of amendments relating to paragraph 3, thus closing the discussion on this paragraph. What we have to do now is therefore to vote on the paragraph as whole and nothing else. There can be no question of going back.

President. — I call Mr Giraud.

Mr Giraud. — (I) I have no objections to the vote being held item by item as has been proposed, provided that we do not reopen the debate on this paragraph.

President. — I call Mr Bangemann.

Mr Bangemann. — (D) I should also like to support that. Members who had their doubts about sub-paragraph (b) have already had an opportunity to express their opinion during the voting on the amendment. We must therefore now vote on paragraph 3.

President. — In the vote on the whole of paragraph 3, to which we must now proceed, no further amendments may be added, but Members may ask for the vote to be taken item by item and I cannot refuse them this.

I therefore put sub-paragraph (b) to the vote.

This text is adopted.

I put the whole of paragraph 3 to the vote.

Paragraph 3 is adopted.

On paragraph 4 I have five amendments worded as follows:

— Amendment No 25 tabled by Mr Kirk on behalf of the European Conservative Group:

“Paragraph 4 (existing paragraph)

First sentence and first two indents to read as follows:

‘The growth of the Union must be accompanied by the development of an institutional structure, which will ensure its cohesion and which must be based in the first instance:

— on a single decision-making centre responsible to the Parliament of the Union,

— on a Parliament having budgetary powers and powers of control which would participate with a right of co-decision in the legislative process, as is its right as the representative of the peoples of the Union.’”

— Amendment No 52 tabled by Mr Lückner, Mr Blumenfeld, Mr Jahn, Mr Andreotti, Mr Colin, Mr McDonald and Mr Klepsch on behalf of the Christian-Democratic Group:

“Paragraph 4, third indent

This indent to read as follows:

‘— on a body which will ensure the participation of the Member States in the political decision-making process of the Union, especially in the legislative and supervisory sphere.’”

— Amendment No 16 tabled by the Socialist Group:

“Paragraph 4

Interchange indents 1 and 3

Replace the original indent 3 with the following text:

‘— on a body, within which participation by the Member States in the decision-making process will be guaranteed.’”

President

— Amendment No 4 tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats:

“Paragraph 4

At the end of this paragraph, add the following indent:

‘— on a European Court of Auditors;’”

— Amendment No 17 tabled by Mr Albers, Mr Broeks, Mr Van der Hek, Mr Laban and Mr Patijn:

“Paragraph 4

Insert the following new indent:

‘— on a European Court of Auditors;’

These five amendments can be considered jointly.

I call Mr Kirk to move Amendment No 25.

Mr Kirk. — Amendment No 25 falls into two halves one of which I think is fundamental and the other not quite so fundamental.

I explained the purpose of the new first indent yesterday. We believe it is premature at this stage in the development of a European Union to specify precisely what the nature of that union should be to the extent that it is specified in the original text and in particular to lay down at this stage that that single decision-making centre must be independent of national governments. It is possible to imagine situations in which it would not be wholly independent of national governments and would in effect be drawn both from the existing Commission and from the existing Council. In those circumstances, we believe it is best to leave the matter open at this stage.

The second amendment is far less radical. It is designed to make a little tidier the wording contained at present in the second indent of paragraph 4 of the report of the Political Affairs Committee. To say ‘participate on at least an equal footing in the legislative process’ we think is a very clumsy way of saying ‘would participate with a right of co-decision in the legislative process’.

Therefore, as I say, there are two separate points here. The first one I think is fundamental. I recognize that the second one is not so fundamental.

President. — I call Mr Lückner to move Amendment No 52.

Mr Lückner. — (D) Mr President, my group originally decided not to table any amendments of its own on this paragraph, because we knew

when we were discussing the subject that the Socialist Group had already tabled an amendment. We assumed that the Socialist Group, in accordance with its vote in the Political Affairs Committee, would go a little further than in fact it has done in its amendment. Under the new circumstances we tabled this amendment for two purposes: first, to improve the wording of this indent and remove the danger of misunderstandings; and secondly, to make it clear that what is meant here is not an organ which would interfere in the business of governing the Community, but one whose functions lie in the legislative and supervisory spheres and which therefore would share these functions with a directly-elected European Parliament according to a procedure laying down their respective spheres of competence.

The Socialist Group’s text does not appear to us to be sufficiently clear, and for this reason we have decided to table this amendment. I ask the House to vote in favour of this improvement of the text of the Political Affairs Committee.

President. — I call Mr Corterier to move Amendment No 16.

Mr Corterier. — (D) Mr President, the Socialist Group and the Christian-Democratic Group are agreed that the wording of the third indent of paragraph 4 of the motion is too vague and is inadequate. One cannot simply speak of the participation of the Member States in the decision-making process in this general way. We therefore propose to make the point clearer by stating that the European Union must include a body which guarantees participation by the Member States in the decision-making process. I prefer this wording to that proposed by the Christian-Democratic Group, since the latter speaks of a body which will ensure the participation of the Member States in the political decision-making process of the Union, especially in the legislative and supervisory spheres.

In the Socialist Group’s view, however, the situation characterizing the final stage of political union—for that is what we are talking about at the moment—should surely be that the European Government will be supervised by the Parliament and not by both the Chambers which may well exist by that time—that is to say, by the Parliament and also by a successor of the present Council of Ministers. So far as I know, there is no régime in the world under which a government is simultaneously responsible to two Chambers of Parliament. This is the point I wanted to bring out and the reason why we prefer our wording.

President. — What is the rapporteur's position on Amendment No 25?

Mr Bertrand, rapporteur. — (NL) Mr President, Mr Kirk has already said himself that he does not think that Amendment No 25 has any chance of being accepted as far as the heart of the matter goes. I ask the Assembly not to accept this amendment, and to adopt paragraph 4 as proposed by the Political Affairs Committee, asking for a single decision-making centre which will be in the nature of a real European Government, independent of the national governments and responsible to the Parliament of the Union.

The second part of this amendment by Mr Kirk is not exclusively verbal. 'Right of co-decision' is not the same as participating on an equal footing in the legislative process. 'Right of co-decision' may refer only to the initial phase of a second reading or to consultation, whereas 'on an equal footing' means together with the others, at the same level and to the same extent.

What Mr Kirk proposes is therefore a restriction.

I therefore ask the Assembly to adopt the Political Affairs Committee's text, and reject the second part of Mr Kirk's amendment.

President. — I put Amendment No 25 to the vote.

Amendment No 25 is rejected.

What is the rapporteur's position on Amendments Nos 52 and 16?

Mr Bertrand, rapporteur. — (NL) Mr President, I agree with Amendments Nos 52 and 16, which both aim at clarifying the vague text of the third indent of paragraph 4. I leave it up to Parliament to decide which of the two amendments ought to be used in the motion for a resolution. I make no choice as both amendments have the same objective.

President. — I put Amendment No 52 to the vote.

Amendment No 52 is rejected.

I put Amendment No 16 to the vote.

Amendment No 16 is adopted.

What is the rapporteur's position on Amendments Nos 4 and 17?

Mr Bertrand, rapporteur. — (F) I am in favour of these amendments.

President. — I put to the vote Amendments Nos 4 and 17, the contents and wording of which are identical.

This text is adopted.

I put to the vote the whole of paragraph 4 incorporating the various amendments.

Paragraph 4 so amended is adopted.

I have Amendment No 23 tabled by Mr Kirk on behalf of the European Conservative Group aimed at reversing the order of paragraphs 3 and 4.

What is the rapporteur's position?

Mr Bertrand, rapporteur. — (F) I am in favour of this amendment.

President. — I put Amendment No 23 to the vote.

Amendment No 23 is adopted.

The proceedings will now be suspended until 3.0 p.m.

The House will rise.

(The sitting was suspended at 1.0 p.m. and resumed at 3.0 p.m.)

IN THE CHAIR: MR SPÉNALE

President

President. — The sitting is resumed.

4. Organization of the debate on the Della Briotta report on wine

President. — At its meeting of 7 July 1975, the Bureau decided, on a proposal from the chairmen of the groups, to organize this evening's debate on Mr Della Briotta's report on wine (Doc. 187/75) as follows:

- 15 minutes for the rapporteur
- 10 minutes for the draftsmen of opinions
- 60 minutes for the Socialist Group
- 50 minutes for the Christian-Democratic Group
- 35 minutes for the Liberal and Allies Group
- 30 minutes for the Group of European Progressive Democrats
- 30 minutes for the European Conservative Group

President

— 30 minutes for the Communist and Allies Group

— 10 minutes for the non-attached Members

The list of speakers will be closed at 7.0 p.m. this evening.

I call Mr Broeks for a procedural motion.

Mr Broeks. — (NL) I hear that the wine debate is going to take up several hours. Would it not be possible for you to come to an agreement with the group chairmen to limit speaking time a bit, so that we do not have to go on talking about wine until late in the night, after all these tiring days? I am well aware you can drink wine until late in the night, but I think it is going a bit too far to talk about it that long. Perhaps you might consider my suggestion.

President. — I appreciate your comments, Mr Broeks, but I do not think I can bring the chairmen of the political groups together to amend their decision. I am counting on everyone's goodwill in cutting down the length of this debate voluntarily.

5. *European Union* (resumption)

President. — The next item is the resumption of the vote on Mr Bertrand's report on European Union.

On paragraph 5 I have four amendments worded as follows:

— Amendment No 26 tabled by Mr Kirk on behalf of the European Conservative Group:

"Paragraph 5

In this paragraph, replace the word:

'solidarity'

by

'cooperation'."

— Amendment No 5 tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats:

"Paragraph 5

Replace the words:

'transform the present community into a truly unitary organization'

by the following:

'unite the present Community to form a truly unitary organization'."

— Amendment No 36 tabled by the Socialist Group:

"Paragraph 5

Replace the words:

'unitary organization'

by the words:

'an organization whose decisions are binding on all parties'."

— Amendment No 27 tabled by Mr Kirk on behalf of the European Conservative Group:

"Paragraph 5

In this paragraph, replace the word:

'unitary'

by

'unified'."

I call Mr Kirk to move Amendments Nos 26 and 27.

Mr Kirk. — The first amendment would replace the word 'solidarity' by 'cooperation'. The word 'solidarity' in English does not mean very much or means too much—no one is quite certain just what it means. The dictionary definitions do not help us. In this context, it clearly means co-operation.

Our difficulty with Mr de la Malène's amendment on behalf of the European Progressive Democrats is expressed in my second amendment concerning the word 'unitary'. I am no professor of languages and I do not know what 'unitaire' means in French or how it would translate into other languages. But 'unitary' in English has a particular connotation. It is the opposite of federation. If one has a unitary state, it is the precise opposite of a federal state. It means a centralized state like France or Great Britain. I find it difficult to believe that that is what the rapporteur and the Political Affairs Committee have in mind. I raised this point in committee and I understood at the time that it had been accepted. Yet it still appears in the text as 'unitary', which is a technical term in British constitutional practice. I am certain that what the rapporteur has in mind is precisely what I have in mind—'unified' and not 'unitary'.

President. — I call Mr de la Malène to move Amendment No 5.

Mr de la Malène. — (F) Mr President, the amendment is self-explanatory and requires no comment. I should like to say to Mr Kirk that the English translation is poor, because it brings out the word 'unitary' again, which is by no means in line with the meaning of the French text; the latter, on the contrary, corresponds to Amendment No 27 tabled by Mr Kirk. Amendments Nos 5 and 27 have exactly the same meaning in French; I therefore withdraw my amendment and support that of Mr Kirk.

President. — Amendment No 5 is therefore withdrawn.

I call Mr Corterier to move Amendment No 36.

Mr Corterier. — (D) There were similar problems in my group with the word *'einheitlich'*. For this reason we have tried to find a new wording to describe the function the Union is to have. The wording we chose was that it should be *'an organization whose decisions are binding on all parties'*.

In doing so, our intention was not to alter the meaning, only to find a better and more comprehensible wording.

President. — I call Lord Gladwyn.

Lord Gladwyn. — If we decide one way or the other on the vexed question of *'unitary'* or *'unified'*—that is, Amendments 5 and 27— I hope that we shall not be debarred from proceeding to vote on Amendment 36 of the Socialist Group. On the whole, my group thinks the Socialist Group amendment preferable to the original text, whether it contains *'unitary'* or *'unified'*. Therefore, may I assume that we shall subsequently vote on the Socialist amendment, whatever the decision on the words *'unitary'* or *'unified'*?

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (NL) Mr President, I would ask the Assembly to keep the words *'degree of solidarity'*. Amendment No 26 proposes their replacement by *'degree of cooperation'*. But since 1952 we have already reached a degree of cooperation, though what we have to try to do now, with the regional policy, the energy policy and the raw materials supplies policy, is to reach a degree of solidarity that makes it possible to transform the Community into an organization that is binding on all Member States. That is why the words *'degree of solidarity'* have to be kept, and not replaced by the words *'degree of cooperation'*. I therefore ask the Assembly to reject this amendment.

As regards the three other amendments, we are faced with great difficulties in finding an exact formulation. I would draw attention to what Mr Ortoli said yesterday, namely, that what we have to do is bring the whole into a single organization, that we ought not to work with different decision-making procedures, say at both inter-governmental and Community level. He also said that we ought not to work with decisions that are not binding on all Member States. We have therefore chosen the word

'unitary', so as to express our intentions. Now the terms *'unifié'*, *'homogène'* and *'intégré'* have been put forward, but these words are not effective enough since they do not fully reflect what has to be said. Amendment No 36 by the Socialist Group says what we mean best, even if incompletely, and I stress *'incompletely'*.

The words *'an organization whose decisions are binding on all parties'* best convey what we mean, since the report emphasizes that in the European Union everything must be brought together into a single decision-making centre, through a government, a parliament and a chamber of states. I therefore propose that priority be given to Amendment No 36 by the Socialist Group. That may satisfy Mr Kirk, since it removes the word *'unitary'*, and it may also satisfy those Members who wished to include the word *'unified'*.

President. — I call Mr Kirk.

Mr Kirk. — If Parliament has agreed on that proposition, I am prepared to withdraw my amendment in favour of the Socialist amendment.

President. — Amendment No 27 is therefore withdrawn.

I put Amendment No 26 to the vote.

Amendment No 26 is rejected.

I put Amendment No 36 to the vote.

The amendment is adopted.

I put to the vote the whole of paragraph 5 incorporating the various amendments that have been adopted.

Paragraph 5 so amended is adopted.

I put paragraph 6 to the vote.

Paragraph 6 is adopted.

On paragraph 7 I have Amendment No 37 tabled by the Socialist Group and worded as follows:

"Paragraph 7

Add the following footnote to this paragraph:

'Communique issued at the end of the Conference of Heads of Government of the European Communities, 9/10 December 1974 in Paris - statement by the Danish delegation: the Danish delegation is unable at this stage to commit itself to introducing elections by universal suffrage in 1978.'

I call Mr Corterier to move the amendment.

Mr Corterier. — (D) Mr President, during the Socialist Group's discussion of this paragraph,

Cortier

our Danish colleagues rightly pointed out that not all Heads of Government were in agreement at the Paris conference held in December of last year. In order to put things straight, we therefore propose to include the footnote as was done in the Paris communiqué.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (NL) Mr President, I would stress that it is not usual to include a minority view in the resolution. A minority view may be given in a statement during the voting. Amendment No 37, however, takes over word for word the statement made by the Danish delegation at the end of the December 1974 Summit Conference.

We are not here as representatives of one Member State. There cannot be safeguard clauses for a single country in a resolution. What would happen if every Member State wanted its reservations regarding a motion for a resolution incorporated in the resolution? You could not draw up any resolutions at all then. That kind of reservation can be made in the voting on the resolution.

President. — I call Mr Espersen.

Mr Espersen. — (DK) Mr President, all we want is that what is said in paragraph 7 should be correct. As it now stands in Mr Bertrand's proposal it is not correct. It says that the Heads of Government of the Member States agree that there should be direct elections in 1978. This is absolutely wrong; the Heads of Government have not taken any such decision.

We merely want to draw attention to this reservation which has been made so that we can have a correct text. As it stands at present it is incorrect, and I therefore appeal to the House to support our moderate request.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, ladies and gentlemen, Mr Bertrand is mistaken, for the text adopted by the Political Affairs Committee is indeed incorrect, and, because it is incorrect, we have tried to bridge things over by including this footnote. If you speak, as the text adopted by the Political Affairs Committee does, of 'the election of its Members by direct universal suffrage not later than 1978, the date indicated by the Heads of Government of the Member States,...' all one can say is that this is not the case. Whoever chooses such a wording is making a mistake, because he is not accurately reproducing the communiqué of the Paris Summit Con-

ference; for there there are two footnotes, one by the British Government and one by the Danish Government. There is no place here for the formalist argument that a resolution of the European Parliament cannot include footnotes, if the footnote indicates the situation as it really was in Paris in December 1974. We have to take the facts as they are, and the facts are that two governments declared in these footnotes that they were unable at that stage to commit themselves to direct elections in 1978. If paragraph 7 continues to state that the Heads of Government of the Member States laid this down, one can only say: No, seven Heads of Government laid this down and two other Heads of Government did not. If our Danish colleagues ask for this footnote to be included—and my group has supported their request—one can only agree, in my view, as a matter of fair play to reproduce this footnote in order to clarify the quotation from the Heads of Government as a matter of sheer objectivity.

President. — I call Mr Jakobsen.

Mr Jakobsen. — (DK) I take the liberty of making a personal appeal to the rapporteur.

I do not think we should spend a long time discussing whether this is normal practice. I do think, however, that Mr Bertrand fully realizes that if anything serious is to come of this, many people will defer to each other's views. I know that Danish Members are willing to adopt many of Mr Bertrand's proposals.

It is precisely for that reason that a small irritating formality can become so important, and I therefore ask Mr Bertrand to understand that some flexibility on this point could influence the Danish delegation's attitude to a considerable extent.

We can therefore dispense with the formalities and say, all right let us phrase it this way. I think we will then have taken a little extra step in the direction we want to go.

President. — I call Mr Rivierez.

Mr Rivierez. — (F) Mr President, I share Mr Bertrand's opinion. It is not usual, in parliamentary documents, to indicate the opinion of a minority. It is sometimes done in judgments presented in the Anglo-Saxon tradition, but I have yet to see mention of a minority opinion in a parliamentary document.

Nevertheless, Mr Fellermaier's observation deserves particular attention insofar as there was indeed no unanimity at the conference of Heads of Government and certain governments

Rivierez

expressed reservations. As a result, one cannot say: 'the date indicated by the Heads of Government of the Member States', and the best solution would be to delete this reference and say quite simply: 'not later than in 1978, thus giving proof...', etc.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (NL) Mr President, I would be perfectly willing to oblige the Danish delegation if it was to give expression to their concern of the moment. I cannot, however, express that in this resolution. I quote the final communiqué of the December 1974 conference of Heads of Government. Paragraph 12 says:

'The Heads of Government note that the election of the European Assembly by universal suffrage, one of the objectives laid down in the Treaty, should be achieved as soon as possible. In this connection, they await with interest the proposals of the European Assembly, on which they wish the Council to act in 1976. On this assumption, elections by direct universal suffrage could take place at any time in or after 1978...'

Then there comes a footnote with a statement by the Danish delegation, but that is not part of paragraph 12 itself. I would ask the Danish delegation to agree to a mention of the statement by the Danish delegation at the end of the motion for a resolution. The text now proposed as a footnote to paragraph 7 can be put in there. We can say at the end of the motion for a resolution:

'The Danish delegation is unable at this stage to commit itself to introducing elections by universal suffrage in 1978'.

I would agree to that being added after paragraph 15.

President. — I call Mr Maigaard.

Mr Maigaard. — (DK) Mr President, I should like first of all to thank Mr Bertrand for reporting the Danish reservation at the December Summit Conference so loyally and thoroughly yesterday. He read it to the Chamber and it is therefore included in the Report of Proceedings. I should like to thank Mr Bertrand for that.

Secondly, in keeping with what my colleague Mr Erhard Jakobsen has said, I should like to ask Mr Bertrand to consider whether it would not be most European to take into account the point of view expressed by one European government at the Paris Summit Conference.

There are some matters which arouse strong feelings in Denmark and therefore the Danish government, represented by Mr Guldberg, who is a Member of this Parliament, expressed this reservation, and I therefore ask you, Mr Bertrand to behave like a European and to comply with the wishes of one of the governments and one of the peoples of Europe, in other words to accept the text proposed by the Socialist Group.

There is nothing dramatic or vehement about it, but it will make us Danes feel that there has been fair treatment, since it will show that consideration is given to the wishes of Danes in general.

I would in other words like to support what my colleague, Mr Erhard Jakobsen, has said. We do not generally agree, either here or in Danish politics, but we agree on this point, and I therefore think that you as a European, Mr Bertrand, should be impressed by the fact that such a large number of people in Denmark, Left-wing as well as Right, can agree on this proposal.

President. — I call Mr Bertrand.

Mr Bertrand, rapporteur. — (F) There is some misunderstanding: I agree to the addition proposed, but would prefer it to be placed at the end of the resolution, after paragraph 15.

President. — Ladies and gentlemen, it is certainly unusual for an amendment to add a footnote.

On the other hand, in view of the general approval which seems to prevail, I propose, in order to meet our Danish colleagues' request to some extent, that this note should be added after the resolution.

Are there any objections?

That is agreed.

(Applause)

We can therefore consider that Amendment No 37 is withdrawn.

I put paragraph 7 to the vote.

Paragraph 7 is adopted.

On paragraph 8 I have Amendment No 55 tabled by Mr Zeller and worded as follows:

"This paragraph to read as follows:

'8. That in the course of 1976 the Commission of the European Communities should elaborate the institutional structure which will constitute the European union and which should be set up before the end of the present decade.'

I call Mr Zeller.

Mr Zeller. — (F) I withdraw my amendment.

President. — Amendment No 35 is accordingly withdrawn.

I put paragraph 8 to the vote.

Paragraph 8 is adopted.

On paragraph 9 I have two amendments:

— Amendment No 28 tabled by Mr Kirk on behalf of the European Conservative Group and worded as follows:

“Paragraph 9

This paragraph to read as follows:

‘9. That this programme should be submitted to the urgent consideration of Parliament, the Council and the Member States for such amendment or modification as may be agreed between the Council and Parliament and, subject thereto, for approval and implementation by the Council;’”

— Amendment No 6 tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats and aimed at deletion of this paragraph.

I call Mr Kirk to move Amendment No 28.

Mr Kirk. — This again is largely a question of drafting, although it contains an important point within it. In the text of the Political Affairs Committee we appear, in English at any rate, to be telling the Council what it does. I do not think that the Council will be terribly pleased if we do that. We tell them in rather a peremptory fashion that they have to adopt the programme put forward by the Commission. As far as I can see, they have to adopt it without being allowed to amend it, or anything else. The form of words which my group has put forward,

‘That this programme should be submitted to the urgent consideration of Parliament, the Council and the Member States for such amendment or modification as may be agreed between the Council and Parliament and, subject thereto, for approval and implementation by the Council’

is not only politer but probably a better description of what we would like to happen.

One of the major factors in my amendment which does not occur in the original text is that it requires concertation between Parliament and the Council should there be a disagreement upon the programme put forward by the Commission. One of the main principles that Parliament has insisted on over the last two years is that if there is disagreement there must be concertation. This idea we have brought in by our amendment. It does not exist in the original paragraph 9. I submit, therefore, that our

amendment is probably a better description of what should happen than the rather abrupt formula that is contained in the original paragraph 9.

President. — I call Mr de la Malène to move Amendment No 6.

Mr de la Malène. — (F) Both amendments spring from the same motives, but since the wording of Mr Kirk’s text is preferable, I withdraw my amendment and support his.

President. — Amendment No 6 is accordingly withdrawn.

I call Lord Gladwyn.

Lord Gladwyn. — In my remarks on the resolution as a whole, yesterday, I said it was perhaps asking rather a lot of the Council to agree that when the programme has been approved by Parliament it should be almost obligatory on the Council to adopt it. I said that it was asking rather a lot of the Council to consent to this at the behest of what would still be a nominated Parliament, but I also pointed out that this was, nevertheless, just a request. It is part of the request which Parliament is making. I said that the Liberal and Allies Group would not oppose it. On the other hand, we see considerable virtue in Mr Kirk’s alternative draft, and if that should meet with general approval we would go along with it.

President. — What is the rapporteur’s position?

Mr Bertrand, rapporteur. — (NL) Mr President, I fear my explanation of the problem may make things still more complicated, but I will accept that risk. The Treaty provisions do not compel the Commission first to put a programme before the Council and ask it for its opinion. What we are proposing here is a liberal application of the provisions, to open up the possibility for Parliament to ask the Commission to submit a programme to it. Parliament would then first of all have to debate that programme and it would have firstly to be approved by this Parliament, before being forwarded by Parliament and Commission, following the resolution, to the Council and the governments of the Member States. In Mr Kirk’s amendment, this procedure is inverted. That states:

‘That this programme should be submitted to the urgent consideration of Parliament, the Council and the Member States for such amendment or modification...’

That means that both Parliament, Council and Member States can simultaneously submit

Bertrand

amendments to the programme, and that endeavours must be made to reach agreement between the three Institutions over a programme. It will be 1985 long before then. Let us not delude ourselves on that point!

We ask the Commission to put forward in 1976 a programme that Parliament can discuss and approve, that it can amend or modify.

We want this Commission proposal, approved by Parliament, to be forwarded to the Council with the request—not the demand—to adopt it. We want it also to be sent to the Member States and we want them to approve the programme. That is the meaning of the text the Political Affairs Committee proposes for paragraph 9. The text is clear, and protects Parliament's priority position in this case.

Mr Kirk's amendment sets Parliament equal with the Council and the Member States, and agreement therefore first has to be reached. That is not practicable. For these reasons I ask the Assembly to reject the amendment.

President. — I call Mr Aigner.

Mr Aigner. — (D) Mr President, I share the rapporteur's view. I asked for the floor because I wanted to remind Mr Kirk of a memorable remark he made on a earlier occasion in this House: a Parliament does not ask for rights to be granted to it, it takes them. Now here we have a programme and with great effort we have worked out a political aim. Now we are expected to make this aim contingent upon a return by Council and Commission to normal legislative procedures and wait to drink in the wisdom of Commission and Council. I must stress that this Parliament has achieved a political resolve and this resolve must be acknowledged by Council and Commission.

President. — I call Mr Kirk.

Mr Kirk. — Obviously I did not make myself plain enough and the amendment is not plain enough. I apologize to Mr Bertrand and to Mr Aigner. The position, I should think, is plain from the amendment. The Commission makes proposals, because the Commission has the right of initiative, and none of us would want to take that right from the Commission, as far as I know. The Council, Member States and Parliament are all involved in the programme and should obviously make such comments and amendments as they wish, but at the end of the day, in this text, it is quite clear that the decision rests with the Council and Parliament; neither can override the other; we have a perfect co-decision, which was exactly what I said, Mr

Aigner, when I made my first speech in this Chamber, and what I have been pleading for all the way through—equal rights for Council and Parliament in legislative and programmatic matters of this kind. This is what we are putting forward. We cannot say to the Council, 'You shall do this.' We can say, 'You cannot do this unless we agree.' That is what we are saying here.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) I think this matter must be thrashed out, because it is a question of political principle.

With this version, Mr Kirk wants to raise the Member States to the same constitutional status, and I must say to Mr Kirk that unfortunately I cannot go by his interpretations but must stick to the text. There will be no Kirk commentary attached, only the resolution of Parliament. The amendment says that the programme should be submitted to Parliament, Council and Member States, and that means raising the Member States to the same constitutional status as Council and Parliament.

It would give the Member States the right of urgent consideration of amendments agreed between the Council and Parliament: This would mean submitting material to the judgment of the Member States, which in any case, *via* the Council, have their voice in the legislation. In legislative matters, the European Council depends on instructions from its respective governments. Even if we were to have a Chamber of States in the European Union, this Chamber of States would be dependent upon instructions from home, in contrast to the Members of a directly-elected European Parliament. For that reason the rapporteur is perfectly right in saying that Mr Kirk's amendment must be rejected on grounds of principle.

President. — I call Mr Kirk.

Mr Kirk. — I am sorry, but this is an absolutely fundamental point. We should discuss it a little further. The decision rests with the institutions of the Community—the Council and the Parliament. But on a matter of this importance the Member States have the right to propose amendments. Council and Parliament can reject them, but Council and Parliament, under this amendment, must agree. In other words, there must be concertation—something for which we have always rightly asked in this House.

I cannot see how this can possibly be interpreted as bringing in the Member States by a back wind. It is not. But the idea that we can get

Kirk

through a programme like this without the agreement of Member States seems crazy. There is a fundamental difference. This is a fundamental discussion. What I am proposing leaves the decision to the joint agreement of Parliament and Council. It does not involve Member governments in the final decision at all.

President. — I call Lord Gladwyn.

Lord Gladwyn. — I would ask Mr Kirk to consider deleting the words 'and the Member States' from his amendment. I am attracted by his drafting as a whole, but I agree with Mr Fellermaier that there is no point in putting in 'and the Member States' because the Member States are represented in the Council, and the Council will, as representing Member States, express whatever their view is—whether it should be amended or not. If Mr Kirk would see fit to omit the words 'and the Member States', I should be inclined to vote for his amendment.

President. — I call Mr Kirk.

Mr Kirk. — If my honourable friends agree, I should be prepared to accept Lord Gladwyn's suggestion if the House were prepared to accept the rest of my amendment. If we bring in the Council we are bringing in the Member States, and in practice the difference is small. Therefore, if I can get a majority in that way I am prepared to try to do so.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (NL) Mr President, I must ask Mr Kirk to excuse me, but I cannot let his concept be accepted by this Parliament, since it is a very dangerous one.

The Council is a Community Institution, and is not as such an assembly of representatives of Member States. The members come together as members of a Community Institution, where no representatives of national governments have a place. The Member States are therefore not automatically involved in matters on which the Council expresses an opinion. That would be an attack on the whole philosophy of the Treaty of Rome. The Commission, the Parliament and the Council are Community Institutions, and are entirely separate from Member States. The composition of those three Institutions differs, and the Council cannot be identified with the Member States. As rapporteur, I must therefore protest, to prevent wrong philosophies regarding the Treaties of Rome and Paris finding a foothold in this Parliament.

President. — I call Mr Lücker.

Mr Lücker. — (D) Mr President, Mr Kirk is now prepared, at least on his own behalf, to drop the reference to the Member States. That is absolutely necessary; otherwise, his text is completely unacceptable. But if he is prepared to make this concession, then I ask myself: What is the point of his text? The committee's text is better, because it is quite clear. Naturally the committee's text does not mean that the Council must accept what has been proposed to it without further ado; it means that the Council, after the Parliament has proposed its modifications to the Commission's proposals, decides on the matter in exactly the same way as hitherto and, where necessary, in concertation with the Parliament. In the circumstances, we should decide in favour of the text adopted by the Political Affairs Committee: it allows of no misinterpretation, it is clear and says exactly what we want it to say.

President. — I call Mr Kirk.

Mr Kirk. — I am prepared to take out the phrase 'and the Member States'. In the English text, paragraph 9 is clear. The Council would have no choice but to accept, adopt and put into practice the text adopted by Parliament. It would have no right to amend it or do anything with it. There is no question about that. Of course, the Council will not accept such a thing. I would not accept it myself if I were a member of the Council. If we remove the phrase 'and the Member States', however, we take the text back to consultation between the Council and Parliament, which is what we all want. But the original text would take away from the Council the right to do anything about the programme put forward by the Commission.

President. — I call Mr de la Malène.

Mr de la Malène. — (F) Mr President, the committee's wording is not acceptable: 'That, once this programme has been approved by Parliament, the Council should adopt it...'. That would appear to signify that there would be no concertation between Council and Parliament and that the Council is expected to give way. The motion goes on: '...and respect it, as should the Member States'. This is contrary to our constitutional systems and formulated with a discourtesy which makes this text really unacceptable. For that reason, I support Mr Kirk's version. The text of paragraph 9, as it stands, is drawn up in terms which are difficult to accept.

President. — I call Mr Poher.

Mr Poher. — (F) Mr President, I fail to understand this long discussion, since the words

Poher

'should adopt it' are doubtless intended to mean 'in accordance with the usual procedure'. The phrase 'should adopt it' is, however, without qualification, certainly rather abrupt. It might be understood to mean: 'should adopt it without amendment'.

Perhaps we could find a version which solved the whole problem, but there is little point in carrying on such a discussion at cross purposes.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Now that Mr Kirk is prepared to delete the words 'and the Member States', I think his amendment is indeed better than the version of the Political Affairs Committee, since his text now implies modifications agreed upon between the Council and Parliament while the text of the Political Affairs Committee simply envisages that the Council will adopt the programme after it has been approved by Parliament. And that means, putting it crudely: Take it or leave it! After the Commission has submitted the programme and Parliament has approved it, all that is left for the Council to do is to adopt it. Can anyone take this seriously? Any realistically-minded person—as Mr Kirk has explained and Mr de la Malène confirmed—must support this amendment for common sense sake, in order to enable the Parliament to exercise the greatest possible influence upon the drawing up of the programme, because this amendment imposes on Council and on Parliament the obligation to concert their views. If concertation is not provided for, we might well find that the Council did not adopt any programme at all. That would be the result.

(Applause)

President. — I call Mr Bertrand.

Mr Bertrand, rapporteur. — (NL) Mr President, I should like to make a proposal that I think Parliament might be able to agree to. I would propose the replacement of paragraph 9 by the following text:

'...that, once this programme has been approved by Parliament, the Council should take a decision on it following the usual procedure and respect it...'

The words 'Member States' would then also be deleted.

President. — I call Mr Aigner.

Mr Aigner. — (D) Mr President, there is really no need to make the matter so difficult. I would say to Mr Fellermaier that I do not agree with his interpretation. If you read the text carefully,

you find that it says that the Council adopts the programme after it has been approved by Parliament—and that indeed presumes a concertation between Council and Parliament.

The idea of 'Take it or leave it' is really not implied here; otherwise we should not have the phrase 'once this programme has been approved by Parliament'.

This resolution, once adopted, will have legal force. But the programme which the Council is to submit to us has still to be adopted by this Parliament, and that implies full concertation. Everyone knows what we are after; the debate has made that perfectly clear. The Political Affairs Committee has worked for so long on this thing, and we cannot, in plenary sitting, behave as though we were an editorial committee. What I mean is that we should stick to the wording proposed by the Political Affairs Committee.

President. — I call Mr Lücker.

Mr Lücker. — (D) Mr President, may I suggest a compromise? Let us say quite simply in paragraph 9 that, once this programme has been approved by Parliament, the Council, if necessary by the concertation procedure, should adopt it and respect it, as should the Member States.

That is, after all, what we want and that is the way I have always understood the text.

President. — I call Mr Kirk.

Mr Kirk. — I am quite prepared to accept that. I do not see what improvement it makes in the text, but if Mr Lücker wants it I am prepared to let him have it.

President. — Ladies and gentlemen, I shall read Mr Kirk's amendment as it should be worded now:

'That this programme should be submitted to the urgent consideration of Parliament and the Council for such amendment or modification as may be jointly agreed between the two institutions and then for approval and implementation by the Council.'

Does Mr Kirk agree with this wording?

Mr Kirk. — I accept that.

President. — I put Amendment No 28 so amended to the vote.

The amendment is adopted and becomes the new paragraph 9.

President

On paragraph 10 I have two amendments:

- Amendment No 38 tabled by the Socialist Group and aimed at the deletion of this paragraph.
- Amendment No 29 tabled by Mr Kirk on behalf of the European Conservative Group and worded as follows:

“Replace the word ‘necessary’ by ‘desirable’.”

I call Mr Corterier to move Amendment No 38.

Mr Corterier. — (D) I have already had occasion today to point out that the Socialist Group attaches primary importance to precision of wording and clarity of statement. We advocate the deletion of paragraph 10 because it fails to satisfy these criteria and not because we have any objections to the aim of Economic and Monetary Union—naturally, we want that too.

Here we are asked to recognize the links which exist between Economic and Monetary Union and European Union. In my view, a parliament can do no more than note the existence or take cognizance of such links, but it is not its rôle to recognize them.

There are also contradictions in the text. First it is said that Economic and Monetary Union and European Union require a parallel development, but then it is said that a lack of progress in one field should not be used as a pretext for taking no action in the other. The idea of parallel development, that is to say, is immediately abandoned. In our opinion, such statements can be dispensed with. It should be clear that paragraph 8, in which we ask the Commission to submit an overall programme of priority action, includes by implication everything necessary for Economic and Monetary Union at that stage.

Our amendment, therefore, makes no change in the real content but aims solely at clarity of wording and the avoidance of empty phrases.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (NL) Mr President, this amendment by the Socialist Group greatly surprises me, since paragraph 10 was incorporated in the motion for a resolution at the proposal of that very group in the Political Affairs Committee. I had proposed a text that went much further, but the Socialist Group then proposed a new text which was unanimously adopted by the Political Affairs Committee.

What the Heads of Government said about that in December 1974 was this. I am quoting the communiqué from the Summit Conference. ‘The

Heads of Government having noted that internal and international difficulties have prevented in 1973 and 1974 the accomplishment of expected progress on the road to EMU affirm that in this field their will has not weakened and that their objective has not changed since the Paris Conference’.

I shall now read what the Commission said in its report to Mr Tindemans:

‘The Union should therefore continue to aim for the main Community objective: Economic and Monetary Union. This entails giving it competence, powers, and means of action in five main fields:

monetary policy; budgetary expenditure; budgetary revenue; improving economic structures so as to help reduce imbalances; social affairs.’

Is our Parliament to remain passive in all these fields? The Parliament, remember, represents the opinion of the peoples, so that it would be very ill-advised to neglect the most important thing, which is an Economic and Monetary Union designed to make possible the final aim of a European Political Union. I certainly was not expecting the Socialist Group to display such an attitude of retreat in a field of such importance!

President. — I call Mr Schmidt.

Mr Schmidt. — (D) Mr President, perhaps I can offer a word of explanation. In the Socialist Group it was I who proposed to make this deletion and I did so because I said it was no more than empty verbiage. It was then explained to me how this came about. Originally, Mr Bertrand suggested—so I was told, I was not at the meeting of the Political Affairs Committee—something about a precondition or prerequisite, which would at least mean something, even if one didn't agree with it. But to talk about recognizing links, without saying what that is supposed to mean, is indeed nothing but empty verbiage. Now that it has been said—and, I think, rightly—that the idea of a prerequisite cannot be entertained, I think we might well delete paragraph 10 without further ado and without any loss of meaning.

I should like to say to Mr Bertrand that we are not trying to get out of anything; we merely take the view that when this Parliament draws up a motion for a resolution, then every paragraph in that motion must really say something. But paragraph 10, as it stands now, no longer has any meaning and we should dispense with it.

President. — I call Mr Lange.

Mr Lange. — (D) Mr President, I would also beg the rapporteur to delete this paragraph. When he concluded his remarks with the observation that the Socialist Group was retreating, he was making a mistake.

I would say to Mr Bertrand that, looking back on yesterday's and today's debate, I find that we have made it quite clear that the further development of Economic and Monetary Union is one of the most important conditions for transforming the whole complex of relations within the Community into a European Union. There can be no question of a parallel development here but something should have been said about a prerequisite; since that, however, is not the case, the text we are faced with no longer reflects what has so far been our political aim in this Community—or, if you like, it no longer means anything. Such verbiage should indeed be dispensed with.

President. — I call Mr Brøndlund Nielsen for a procedural motion.

Mr Brøndlund Nielsen. — (DK) Mr President, I should like to know whether it is in keeping with the procedure laid down to spend so long discussing each amendment. I think it was said that the procedure would be that followed for Mr Scott-Hopkins' report; as far as I remember, the arrangement was that those who tabled amendments and the rapporteur should speak. Now, however, we are conducting a political discussion on every single point, and there are perhaps several of us who would like to speak about details.

(Loud applause)

President. — So far, Mr Nielsen, I have made sure the 3-minute limit is observed, but I cannot stop Members expressing their views.

I call Mr Artzinger.

Mr Artzinger. — (D) Mr President, in view of my attempt during this morning's debate to define the connection between European Political Union and Economic and Monetary Union, I would very much regret a deletion of paragraph 10. It may well be that someone who is not in the thick of things sees in this paragraph nothing but empty verbiage; but this is impossible for anyone who has a little knowledge of these things. He knows that it is impracticable to describe the relationship in all its details within the framework of a resolution.

It is perfectly legitimate to say that the lack of progress in one field should not be used as

a pretext for taking no action in the other. We are constantly being told that there is a lack of the necessary political powers and that because of this lack nothing is being done in the economic field. I would therefore ask you to reflect whether this paragraph should be deleted.

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — I think that I may be going to say the same as Mr Lange would wish to say. I do not think that we want to delete all reference to economic and monetary union. I am doubtful about exactly what 'parallel' means, because one cannot measure political and economic progress inch by inch or metre by metre. Therefore, I hope that the rapporteur will accept the compromise that 'desirable' should be used instead of 'necessary'. Then I believe that we shall find ourselves unanimous.

President. — I call Mr Lange.

Mr Lange. — (D) I only wanted to say to Mr Artzinger that there are some people who are acquainted with the situation and that he, Mr Artzinger, cannot say that I am talking out of the back of my head. What we are talking about here is not Economic and Monetary Union as such, but the parallel development of Economic and Monetary Union and European Union. That is the way it is put in the German text, and that is what we are maintaining is meaningless.

President. — I call Mr Bertrand.

Mr Bertrand, rapporteur. — (F) As the European Conservative Group wishes, I suggest that the word 'parallel' be deleted.

President. — I put Amendment No 38 to the vote.

Amendment No 38 is rejected.

What is the rapporteur's position on Amendment No 29?

Mr Bertrand, rapporteur. — (F) I am in favour of this amendment.

President. — I put Amendment No 29 to the vote.

Amendment No 29 is adopted.

Does the rapporteur maintain his proposal to delete the word 'parallel'?

Mr Bertrand. — (F) No, Mr President.

President. — I put to the vote paragraph 10 incorporating the amendment adopted.

Paragraph 10 so amended is adopted.

I put to the vote the first sentence of paragraph 11.

This text is adopted.

On sub-paragraph (a) of paragraph 11 I have two amendments:

- Amendment No 7 tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats and aimed at deletion of this sub-paragraph.
- Amendment No 30 tabled by Mr Kirk on behalf of the European Conservative Group and worded as follows:

“This sub-paragraph to read as follows:

(a) (i) that, in application of the decision of the Heads of Government of December 1974 to apply the rule of unanimity only in exceptional cases, the Council should whenever possible take its decisions by majority, and

(II) that the Council should moreover, whenever possible, meet in public in its legislative capacity.”

I call Mr de la Malène to move Amendment No 7.

Mr de la Malène. — (F) I withdraw my amendment and support that of Mr Kirk.

President. — Amendment No 7 is therefore withdrawn.

I call Mr Kirk to move Amendment No 30.

Mr Kirk. — Amendment No 30 has two aims. The first is to put in slightly better perspective what most of us would regard as the likely development over the next few years of the so-called Luxembourg Compromise, and, basing ourselves on the decision of the Heads of Government of December 1974, to apply the rule of unanimity only in exceptional cases. I think that we would all agree on that.

However, I believe that it is unrealistic to go quite as far as the original text, that the Council should forthwith and abruptly abandon the principle of unanimity. Nearly all of us know that that will not happen.

The second point of the amendment is to separate two separate ideas—the question of unanimity and the question, so actively pursued

by my friend Sir Derek Walker-Smith over many years in this House, of the Council when legislating meeting in public. I think that it is the only democratic legislature in the world which meets in secret. But the idea of legislating in public is not the same as the rule of unanimity. We wish to separate the two in this resolution. It seems more logical to do so.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (NL) Mr President, Mr Kirk knows how much sympathy I have for him and what admiration I have for his efforts to get a philosophy adopted in accord with his concepts. I am therefore very sorry to have to say what I am about to.

He must realise that the least we can ask for is respect for the Treaties, and that we as a Parliament should not now again adopt a vague text, which would again make possible a compromise like the Luxembourg compromise. That could be the result of an amendment like his.

I therefore ask the Assembly not to accept this amendment, but to vote for our text, according to which the Council, in accordance with the Treaties, will have to vote by qualified majority. That is, as far as I can see, necessary. No-one would understand a retrograde step by the Parliament. I therefore once more ask for the Political Affairs Committee's text to be adopted, since it clearly asks for the Council's legislative work to be public, and I ask for the rejection of the amendment since the Council would then only make its work public when it felt like it.

President. — I put Amendment No 30 to the vote.

Amendment No 30 is rejected.

I put paragraph 11 (a) to the vote.

This sub-paragraph is adopted.

On paragraph 11 (b) I have two amendments:

- Amendment No 18 tabled by Mr Albers, Mr Broeks, Mr Van der Hek, Mr Laban and Mr Patijn and aimed at deletion of this sub-paragraph;
- Amendment No 31 tabled by Mr Kirk on behalf of the European Conservative Group and worded as follows:

“This sub-paragraph to read as follows:

(b) that the role of the Commission should be extended to include the primary responsibility for all multilateral relations between Member States, its functions in this respect

President

to be exercised in collaboration with the Council Secretariat; this decision would enable these relations to be simplified and coordinated, while putting an end to the distinction between Community procedures and inter-governmental procedures;”

I call Mr Van der Hek to move Amendment No 18.

Mr Van der Hek. — (NL) Mr President, we propose that this House delete paragraph 11 (b), for the following reasons. The Council Secretariat as an institution has never had our sympathy. It goes without saying that a body like the Council ought to have some kind of secretariat, but here the Secretariat is more or less raised to the level of a Community Institution. We strongly oppose this, since it clearly gives the Secretariat a special role alongside the European Commission. We cannot see any special role for this secretariat alongside that which the European Commission carries out with respect to the Parliament and the Council. We fear that this Secretariat would, in particular, start playing a role in the area of foreign policy, and possibly in other areas too, where there is absolutely no place for a Council Secretariat.

For all these reasons, we strongly oppose this kind of role for that Secretariat. We hope the Assembly will accept our proposal to delete paragraph 11 (b).

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Speaking on behalf of my group, I cannot agree with the view just put forward by my group colleague.

If one sees this in connection with Amendment No 31, tabled by the European Conservative Group—and this one must do—then one sees that this amendment takes care of an important part of the objections put forward by Mr Van der Hek and his friends. I would therefore ask the authors of the amendment to consider whether it would not be better for them to withdraw their amendment in favour of Amendment No 31 by Mr Kirk.

President. — I call Mr Van der Hek.

Mr Van der Hek. — (NL) Mr President, let us deal with our amendment first. Then we can see what to do about Mr Kirk's amendment.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (NL) I would point out to Mr Van der Hek the lack of logic in his argument that the Secretariat is being raised

into an Institution. He seems, without the slightest difficulty, to accept the Committee of Permanent Representatives and the Committee of the Heads of Political Departments as institutions. These two bodies are at present doing all the preparatory work for the Council and for political cooperation.

In this Parliament we have many times urged a closer relationship between cooperation on foreign policy and cooperation within the Community framework. We dealt with the subject exhaustively following the second report of the Conference of Ministers of Foreign Affairs.

This report was discussed last year in this Parliament, and the Political Affairs Committee thought that it had really found a formula to bring about a rapprochement between inter-governmental political cooperation and normal Community cooperation. It felt that, on the basis of the Treaties of Rome, it was bringing these two aspects harmoniously closer together, by entrusting the Council Secretariat with both types of task.

We want the Council Secretariat to prepare Council meetings, while leaving untouched the powers of the Commission, which has of course its own responsibilities.

The Secretariat ought also to prepare the way for political cooperation. It will then have an immediate opportunity to make contact with the ambassadors, and, after negotiations, to achieve a simplification of the whole apparatus. In this way an important step towards bringing together political cooperation and Community cooperation on the basis of the Treaties of Rome can be made.

Hence our proposed paragraph 11 (b). Secondly, I should like to draw attention to the fact that this text is closely connected with paragraph 3 (a), reading as follows:

‘...foreign policy, for which the existing coordination procedures must be further strengthened. New procedures must be developed to enable the Community to speak with a single voice in international politics;’

While awaiting the achievement of European Union, we want the existing procedures to be strengthened by entrusting coordination to the Council Secretariat. This will also allow the procedures to be extended.

I now find, to my surprise, that this is not wanted and that there is a preference for maintaining the artificial distinction between political cooperation and the activities of the Community. I have very little understanding for that and I would ask the Assembly not to accept this amendment.

President. — I call Mr Van der Hek.

Mr Van der Hek. — (NL) Mr President, it is perhaps hard to reproach each other with lack of logic. It will probably not escape Mr Bertrand that we earlier tabled an amendment to paragraph 3, which makes it completely logical for us also to table an amendment to paragraph 11.

Moreover, I would ask the rapporteur to contemplate the situation that might arise if, alongside the Committee of Permanent Representatives, a Council Secretariat was set up to prepare Council meetings in a way that is not at all clear.

President. — I put Amendment No 18 to the vote.

Amendment No 18 is rejected.

I call Mr Kirk to move amendment No 31.

Mr Kirk. — We are dealing here with the transitional period. If this point had never surfaced, we might have been prepared to go along quite happily with the way things are with the somewhat jerrybuilt organization that operates through the national foreign offices.

Once the point has been raised, I think it is important that we should consider whether it is wise even for a short transitional period to create what will be, I fear, a fairly large Council Secretariat to operate on all extra-treaty matters, which is really what is being proposed in this paragraph, when we believe it would be not only more economical but much more efficient if the matter were left within the Commission.

I see great danger here first of a competition between the Secretariat and the Commission growing up as the two grow up. Secondly, I see Professor Parkinson's famous law operating and we shall find ourselves involved with so much 'top hamper' that nothing will get off the ground.

The purpose of the amendment is that the primary responsibility for all this should be in the Commission and not what would be in effect an enlarged Council Secretariat, though the existing Council Secretariat which is a fairly small and efficient body would have to be consulted about the practical steps of preparing the agenda for meetings.

I hope the amendment commends itself to the House.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (NL) Mr President, I would draw attention to the fact that this amendment would reduce the Commission to an administrative body that would then collaborate with the Council Secretariat.

This is unacceptable to the Commission. It is an executive body with a specific job to do. The Commission has to make proposals and develop initiatives. That has nothing to do with the preparation of Council meetings. The Commission is totally independent of the Council. It is not an administrative institution.

The Commission ought not to be linked with the Council Secretariat. Two institutions at different levels should not be coupled and made to do a particular job. I cannot accept Mr Kirk's amendment, since it reduces the Commission of the European Communities to an administrative institution, and seeks to impose on it a task not in accordance with the Treaty of Rome.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr Bertrand, your last observation, that the supporters of the amendment wish to lower the Commission's status, is incorrect. The authors of the amendment and those who have just spoken in support of it are aiming at precisely the opposite: they wish to strengthen the Commission's position in order that European political cooperation in future will no longer bypass the Commission. What we want is not to indulge in dogmatism but to find a practical means of enabling the work of two Institutions on European political cooperation to be so closely knit together in a single secretariat that the effectualness of both Institutions shall be enhanced according to their respective responsibilities in the very sphere where this is most desirable. Then you will find that the Parliament too is becoming more effectual.

(Applause)

President. — I call Mr Lücker.

Mr Lücker. — (D) The passionate plea we have just heard for this text would be more convincing if the lines were deleted which stated that the Commission's 'functions in this respect' should 'be exercised in collaboration with the Council Secretariat'. That is the stumbling-block. Those who have been long enough in this House will remember that for many years the thesis was championed in certain quarters that the Commission should be turned into a Secretariat of the Council of Ministers. This the European Parliament has always rejected. Whenever it is a matter of extending the Com-

Lücker

mission's competences, you will always find us on the Commission's side; but then one must be honest and specifically transfer such-and-such a function to the Commission, not just say that the Commission is to exercise such-and-such a function in collaboration with the Council Secretariat. That would mean demeaning the Commission as one of the Treaty Institutions to the level of a Secretariat of the Council of Ministers. That we cannot accept.

President. — I call Mr Kirk.

Mr Kirk. — In practice I do not see how they could carry out this function without collaborating with the Secretariat of the Council. But if that is worrying Mr Lücker, I think it goes without saying that they would have to do so.

I would be prepared to accept his amendment if that would give unanimity in the House.

President. — You are suggesting the deletion of 'its functions in this respect to be exercised in collaboration with the Council Secretariat'.

Is that correct?

Mr Kirk. — (F) That is correct.

President. — I put to the vote Amendment No 31 as re-amended by Mr Kirk.

Amendment No 31 is adopted.

On paragraph 11 (c) I have four amendments worded as follows:

— Amendment No 32 tabled by Mr Kirk on behalf of the European Conservative Group:

"This Sub-paragraph to read as follows:

'(c) that the Community decision-making process should be organized in accordance with the following procedure:

- the Commission, on its own initiative or in reply to a request from Parliament, draws up a draft proposal;
- this draft is simultaneously submitted to the Council and communicated to Parliament for its opinion;
- the Council proceeds to give consideration to the proposal only after having received the opinion of Parliament and in the light of that opinion;
- until the Council has adopted its conclusions with regard to the proposal the Commission retains the right to amend it in accordance with the provisions of Article 149(2) of the EEC Treaty;
- if the Council feels it has to make substantial changes in the text of the proposal as approved or amended by Parliament, a

conciliation procedure must be set up within time-limits to be specified, before the Council takes its decision, and the procedure will continue until Council and Parliament have reached agreement.'"

— Amendment No 12 tabled by Mr Berkhouwer on behalf of the Liberal and Allies Group:

"Paragraph 11(c), second indent

To read as follows:

'— this draft is submitted to the Parliament before the Council can consider it;'"

— Amendment No 48 tabled by Mr Berkhouwer on behalf of the Liberal and Allies Group:

"Paragraph 11(c), fourth indent

To read as follows:

'— if the Council makes any change to the text of the proposal approved by Parliament, a conciliation procedure must be instituted, within time-limits to be specified, before the Council takes its decision;'"

— Amendment No 39 tabled by the Socialist Group:

"Delete the following words in the last indent:

'substantial'

and

'before the Council takes its decision.'"

I call Mr Kirk to move Amendment No 32.

Mr Kirk. — I suppose that this sub-paragraph gave both the Political Affairs Committee and certainly my political group more trouble than any other part of the recommendation, not because we disagreed about the basic principles involved here, but because the exact machinery which one might put forward was the subject of intense debate and discussion.

We thought that probably the most clean-cut way to put forward our point of view was to propose a completely new text for sub-paragraph (c) rather than try to draw up proposals along the way. That does not mean to say we necessarily disagree with the other amendments that have been put down to sub-paragraph (c) some of which are quite acceptable to us. However, we thought it right to give Parliament a clear choice between the original text and the possible amendments.

What we are proposing in effect is first to ensure that the Council cannot proceed with the consideration of any proposal by the Commission until it has received the opinion of Parliament. This is the first essential principle which is laid down in the amendment which, although I know it is in the rapporteur's mind and is certainly in the mind of the Political Affairs Committee,

Kirk

does not come through essentially in the original sub-paragraph (c).

Secondly, the Council must proceed, if there are substantial changes to the text, to a conciliation procedure—and this is where we do make a very considerable departure from the original text—and the Council alone cannot decide the matter. We come to a point that we put forward in connection with budgetary powers, I believe eighteen months ago. If there is a disagreement between Council and Parliament, then Council and Parliament must thrash the matter out until they agree. That is the second point which is included in the amendment and to which we attach great importance.

The rest is purely drafting. Those two points we consider are very important and I hope the House will accept them.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (NL) Mr President, I thank Mr Kirk for his efforts at improvements. He will however understand that there is a radical difference between our text and his amendment. Our text is about amendments, his about opinions. These are two different standpoints which are very far apart from each other.

Mr Kirk contradicts himself. He says in the second indent:

'this draft is simultaneously submitted to the Council and communicated to Parliament for its opinion;'

We propose amendments or rejection, not opinions.

In the third indent Mr Kirk says:

'the Council proceeds to give consideration to the proposal only after having received the opinion of Parliament and in the light of that opinion;'

The last indent says:

'if the Council feels it has to make substantial changes in the text of the proposal as approved or amended by Parliament...'

This is inconsistent. Either proposed amendments, or opinions only. If it is opinions only, they do not have the value of amendments. We must be clear in what we say, otherwise confusion will arise. I think the committee's text, the product of prolonged discussion, is better on this point.

I can accept the addition, after our second indent, of words saying that the Council will consider the proposal only after having received any amendments Parliament proposes. In that case, we say clearly that the Council cannot

decide as long as we have not pronounced on the Commission's proposals.

We should avoid confusion between 'opinions' and proposed amendments.

Mr Kirk and I are in agreement regarding the first and second indents of the committee text. The third indent from the amendment could then be added, and I would amend it like this: the Council considers the proposal only after having received any amendments proposed by Parliament and in the light of those proposed amendments. If Mr Kirk is in agreement with that, we can also accept the last indent of the amendment. It would then be in agreement with the first three.

That is perhaps a little complicated, but I am prepared to repeat what I have said point by point. I should, however, first of all like to hear from Mr Kirk whether he is in agreement with the first indent, which is the same in both cases.

President. — I call Mr Kirk.

Mr Kirk. — I understand that Mr Bertrand is accepting virtually everything I have put forward in my amendment but not the actual text. I am happy to go along with that.

President. — I call Mr Berkhouwer to move Amendment No 12.

Mr Berkhouwer. — (F) Mr President, I have tabled an amendment pursuing the same purpose as that of Mr Kirk's; but since his and my amendments and Mr Bertrand's observations largely coincide, I am ready to withdraw my amendment in favour of that by Mr Kirk.

President. — Amendment No 12 is therefore withdrawn.

I call Mr Bertrand.

Mr Bertrand, rapporteur. — (NL) Mr President, I am in favour of Amendment No 48.

President. — Mr Bertrand, in order that the Assembly can vote with a clear understanding of the position, will you repeat the proposals regarding the alignment of the text with Mr Kirk's amendments?

Mr Bertrand, rapporteur. — (NL) Mr President, I would propose that the text of the first indent of paragraph 11 (c) be voted on, since it is the same in the Political Affairs Committee's proposal and in Mr Kirk's amendment.

President. — I put to the vote the first indent of paragraph 11 (c).

This text is adopted.

I call Mr Bertrand.

Mr Bertrand, rapporteur. — (NL) Mr President, as far as the second indent is concerned, I would ask Mr Kirk to delete the words 'communicated... for its opinion'. If he does that you can take the vote, since the text of that indent in his amendment would then be identical with that proposed by the Political Affairs Committee.

I see that Mr Kirk is in agreement. You can therefore have the text of the second indent in the Political Affairs Committee proposal voted on.

President. — Mr Bertrand, which are the precise words to be deleted from the text?

Mr Bertrand, rapporteur. — (NL) Mr President, if Mr Kirk deletes the words 'communicated... for its opinion' his amendment then has the same text for the second indent as the Political Affairs Committee has. You can therefore take the vote on it now.

President. — Mr Kirk, do you agree?

Mr Kirk. — Perhaps I may make a general remark. It would perhaps ease matters and help Parliament. The points to which I attach the greatest importance are the third and fifth indents in my revised proposal. I think that the question about whether an opinion is an amendment or not is largely theoretical hair-splitting, but if it worries anyone I am prepared to go along with the text as proposed. I attach great importance, however, to the third indent whereby the Council could only give consideration to a proposal after having received the opinion of Parliament. That is also Mr Berkhouwer's approach. Consultation would proceed until there was agreement. If I can have that aspect, I accept Mr Bertrand's proposal.

President. — We would then have a text containing the word 'proposal' three times!

Mr Lücker. — (D) Mr President, after what Mr Kirk has said, I would ask the rapporteur, for simplicity's sake, to stick to the committee's version for the first and second indents. That would correspond exactly to what Mr Kirk has said, and it is easier for everyone to follow the committee's text since that is what he has in his hand. The first and second indents, therefore, remain. Then comes the first interpolation, the

rapporteur having stated that he agrees to take over the third indent of Amendment No 32, the first point to which Mr Kirk attaches importance. This has Mr Berkhouwer's support on behalf of the Liberal Group, and we can also agree to it. Then comes the committee's version of indent No 3, which now becomes No 4. The second important change on which Mr Kirk insists is the adoption of the last indent of his amendment.

President. — We have adopted the first two indents. I will ask the Assembly to vote on the text proposed by Mr Kirk for the third indent.

What is the rapporteur's position?

Mr Bertrand, rapporteur. — (F) I agree, Mr President. I propose the following wording:

— the Council proceeds to give consideration to the proposal only after having received the proposals of Parliament and in the light of these proposals'.

That is, I am replacing the word 'opinion' by 'proposal'.

President. — I call Mr Poher.

Mr Poher. — (F) Mr President, to avoid repeating the word 'proposal', one could say:

'the text as amended by Parliament and in the light of that text'.

But that's a question of grammar.

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — I suggest that instead of the word 'proposal' three times, we should have the words 'decision of Parliament' and 'in the light of that decision'.

President. — I think there is general agreement on Mr Poher's suggestion.

I put this version of the third indent of subparagraph (c) to the vote.

It is adopted.

I call Mr Bertrand.

Mr Bertrand, rapporteur. — (F) I agree to the fourth and fifth indents of Mr Kirk's amendment.

President. — I put the fourth indent of subparagraph (c) of Amendment No 32 to the vote.

It is adopted.

I call Mr Bertrand.

Mr Bertrand, rapporteur. — (F) In view of Amendments Nos 48 and 39, I propose, for the fifth indent under letter (c) of Amendment No 32, deleting the word 'substantial', which has the approval of Mr Berkhouwer and of the Socialist Group.

President. — I put to the vote Mr Kirk's amendment in which the word 'substantial' has been deleted.

The amendment is adopted.

Amendments Nos 48 and 39 therefore become void.

I put to the vote the whole of sub-paragraph (c).

The whole of that sub-paragraph so amended is adopted.

On paragraph 11 (d) I have Amendment No 47 tabled by the Socialist Group and worded as follows:

"This sub-paragraph to read as follows:

'that, above all, in the transfer of new powers to the Communities the European Parliament should be given corresponding powers of legislation and control, since this is the only way to ensure that decisions of the European Communities are democratically legitimate.'"

I call Mr Corterier to move the amendment.

Mr Corterier. — (D) Mr President, my group has submitted this amendment because it attaches importance to the following point. We assume that, during the period preceding the creation of a European Union and even more afterwards, more and more powers will be transferred to the European Community. In our view, however, this is only possible, only legitimate, if the European Parliament's powers of control are correspondingly extended at the same time. This is what we wish to place on record, and we ask for the House's support.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (F) I am in favour of this amendment.

President. — I put Amendment No 47 to the vote.

Amendment No 47 is adopted.

I put sub-paragraph (d) so amended to the vote.

This sub-paragraph is adopted.

I put paragraph 11 (c) to the vote.

This sub-paragraph is adopted.

On paragraph 11 (c) I have two amendments:

— Amendment No 9 tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats and aimed at the deletion of this sub-paragraph.

— Amendment No 33 tabled by Mr Kirk on behalf of the European Conservative Group and worded as follows:

Paragraph 11 (f)

"In this sub-paragraph, replace the word:

'legitimation' by

'legitimacy'."

I call Mr de la Malène to move Amendment No 9.

Mr de la Malène. — (F) My amendment is self-explanatory and needs no further comment from me.

President. — I call Mr Kirk to move Amendment No 33.

Mr Kirk. — Mine is a purely drafting amendment. I do not think that the word 'legitimation' exists in the English language. If it does, it certainly is not used, and I propose another word.

President. — What is the rapporteur's position?

Mr Bertrand, rapporteur. — (F) I am in favour of Amendment No 33 but opposed to Amendment No 9.

President. — I put Amendment No 9 to the vote.

Amendment No 9 is rejected.

I put Amendment No 33 to the vote.

Amendment No 33 is adopted.

I put the whole of paragraph 11 (f) so amended to the vote.

The whole of this sub-paragraph is adopted.

On the final sub-paragraph of paragraph 11 I have Amendment No 34 tabled by Mr Kirk on behalf of the European Conservative Group and worded as follows:

"In the last sub-paragraph under the heading 'The European Parliament', amend the last line to read as follows:

'...peoples of the Community and between their governments;'"

What is the rapporteur's position?

Mr Bertrand, rapporteur. — (F) I am in favour of this amendment.

President. — I put Amendment No 34 to the vote.

Amendment No 34 is adopted.

I put to the vote paragraph 11 incorporating the amendments adopted.

Paragraph 11 so amended is adopted.

I put paragraphs 12 and 13 to the vote.

Paragraphs 12 and 13 are adopted.

On paragraph 14 I have Amendment No 35 tabled by Mr Kirk on behalf of the European Conservative Group and worded as follows:

“Replace the words:

‘within the time-limits laid down’

by

‘as soon as possible’.”

I call Mr Kirk to move the amendment.

Mr Kirk. — This is a straightforward amendment. The resolution refers to ‘within the time-limits laid down’. But it does not lay any time-limits down. It seems necessary to say ‘as soon as possible’ which I think is what we mean, rather than refer to non-existent time-limits.

President. — What is the rapporteur’s position?

Mr Bertrand, rapporteur. — (NL) Mr President, the text proposed by us corresponds with the December 1974 text of the Heads of Government. I do not see why we should be less specific than the Heads of Government. I would therefore ask Mr Kirk not to insist.

President. — Mr Kirk are you maintaining your amendment?

Mr Kirk. — In the circumstances I withdraw the amendment.

President. — Amendment No 34 is therefore withdrawn.

I put paragraph 14 to the vote.

Paragraph 14 is adopted.

I put paragraph 15 to the vote.

Paragraph 15 is adopted.

I call Mr Kirk for a procedural motion.

Mr Kirk. — I ask for a suspension of the sitting for 15 minutes so that we can consider our position in the light of the amendments made.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) I support that request, though for a completely different reason: a half-hour meeting of my group is due to take place now.

President. — The proceedings will now be suspended until 5.30 p.m.

The House will rise.

(The sitting was suspended at 5.00 p.m. and resumed at 5.30 p.m.)

IN THE CHAIR: Mr SPÉNALE

President. — The sitting is resumed.

Before we proceed to the vote on the whole of the motion for a resolution contained in Mr Bertrand’s report, those Members who wish to do so can give an explanation of vote.

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

Mr Kirk. — The House will be well aware that not all of the amendments—indeed, not all of the amendments that my group regarded as essential—have been carried in the course of what has been a long day. Nevertheless, thanks to the very conciliatory attitude shown throughout by the rapporteur and by my colleagues in this House, it is the unanimous view of my group that the changes that have been made make it possible for us to cast a vote in favour of the resolution, and this we intend to do.

(Loud applause)

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

Mr Fellermaier. — (D) Mr President, ladies and gentlemen, I am not in a position to state that by group will vote unanimously for the motion for a resolution; but I can say that the overwhelming majority will do so. Some do not agree with the majority on the fundamental conception of a security policy: the Socialist Group respects the diverging attitude of these members, who consequently will vote otherwise than the majority.

Speaking on behalf of our friends in the Labour Party, Michael Stewart indicated yesterday that

Fellermaier

they would abstain from voting. In this connection, I must add that they are in a difficult situation insofar as they arrived here only on Monday and found themselves confronted with the concluding phase of a discussion which had occupied not only the relevant committees but also the groups for months on end; the result was a situation which in its way may well prove to be unique in this Parliament. In view of these unusual circumstances, our group willingly accepts the fact that, for political reasons also, the Labour Party members in my group, in two of the spheres under discussion, likewise find themselves coming to a different conclusion, and this, too, will be reflected in the voting.

Apart from that, Mr President, I am of the opinion that the importance of this vote justifies recording, for the benefit both of the House itself and of public opinion, the reaction of each individual Member to the report on European Union. For this reason, I ask, on behalf of my group, that the vote be taken by roll-call in accordance with Rule 35 (3) of the Rules of Procedure.

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

Mr Lückner. — (D) Mr President, during the last two days—here I believe I am speaking for many of my colleagues from other groups too—this Parliament has shown itself at its best so far as its sense of responsibility is concerned. We have had good political debate, and have been able to take our decision on a motion for a resolution in a spirit of mutual understanding. In doing so, Mr President, we have fulfilled our obligation, we have done something which we, as the European Parliament, have been repeatedly demanding from the other Institutions for over a year: albeit with a slight delay, we have observed the time-limit imposed upon us by the Conference of Heads of State or Government and so have fulfilled our obligation. I believe that the resolution which we shall have adopted today is, all in all, a political declaration of intent which will enable us to work for further progress in Europe and in our joint European policy.

My group is, of course, aware that this resolution represents a compromise between many different views. In a number of paragraphs we should have liked to see more courageous and more far-reaching formulations: this applies in particular to today's vote on paragraph 3. On the other hand, we believe that the motion, in the form in which it is about to be adopted, raises no obstacles on the road towards European construction; on the contrary, it is a text

on the basis of which we shall be able to continue our constructive work.

I am therefore, I think, in a position to say that my group will vote unanimously for this motion. Without indulging in any heart-searchings, I think I can say that.

Mr Fellermaier's request is one I also wanted to make. I support his request because I feel that on this occasion the Parliament should show, by means of a roll-call, how it stands in relation to this resolution.

(Applause)

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

Mr de la Malène. — (F) Mr President, I too should like to say that the text that has resulted from our deliberations does not entirely satisfy my group and does not contain all the ideas we should have liked to see in it.

We are a Parliament representing a number of different tendencies, and there is nothing at all unusual in a text which it adopts containing a number of compromises. It cannot be otherwise.

More or less the whole of my group—that is to say, with the exception of one of our Danish colleagues, who will abstain and who has already explained for what reasons—considers itself satisfied in view of the very positive character of the features contained in this text. We certainly regret the wording of certain passages—in particular, of paragraphs 4 and 11; nevertheless, we consider that this text expresses our determination to continue along the road towards an all-embracing Europe—that is to say, one that is responsible, independent and endowed with a foreign and a defence policy of its own.

We further note that progress towards European Union is to be on the political plane, as demanded by Mr Rumor, and also institutional. Finally, we note that this progress is to be by stages.

We regret a number of things that have been expressed, but in view of these basic orientations our group—with the exception of a Danish Member, I repeat—will vote in favour of the motion for a resolution.

(Applause)

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

Mr Berkhouwer. — (NL) Mr President, Mr Durieux, the Chairman of the Liberal and Allies Group, who is not able to be present at the moment, has asked me to state on behalf of our

Berkhouwer

group that this debate has in our opinion taken a satisfactory course.

We are of the opinion that Parliament, by accepting this motion for a resolution, will be adopting a constructive attitude to the development of the Community towards European Union, especially since we have secured satisfactory action regarding some important amendments on the decision-making process. We have, by the way, found that on that point there is well-nigh unanimity between the other groups and ourselves. Our group will vote practically unanimously, apart from 1 abstention and 1 vote against, for the motion for a resolution as a whole.

(Applause)

President. - - I call Mr Jakobsen.

Mr Jakobsen. — (DK) Mr President, I hope no-one will suspect me of believing that my vote in favour of the resolution is extremely important.

One of my reasons for speaking is that I kept quiet throughout the lengthy discussion of the subject; my second reason is that I believe it will interest some of the Members present to know that attitudes can be changed. As today's proceedings progressed and as the keenest supporters of European unity put their points of view and made concessions to us, who I think are more careful and critical, various Danes and Englishmen were convinced, as I have been convinced, since I came to this sitting with the firm intention of voting against. I hesitated somewhat and intended to abstain, but the attitude of Mr Bertrand and others has firmly convinced me that I could easily vote in favour, given the concessions made by those who work zealously for the cause. They have sufficient understanding of the difficulties and misgivings some of us have, and we should authorize them to continue their work. Mr Kirk was therefore quite right to say that the European Conservative Group would vote unanimously in favour of the proposal.

(Applause)

President. — I call Mr Broeks.

Mr Broeks. — (NL) Mr President, I already had the chance yesterday to state at length what I think about European Union and why I shall abstain. As far as the other socialists here are concerned I would say this. It will have struck the rapporteur, for whom we—including myself—have great admiration, that they wished to cooperate constructively. Since point (b) remains in paragraph 3, it is, however, unfortunately,

impossible for them to vote for the motion for a resolution. They will therefore also abstain.

President. — I call Mr Brøndlund Nielsen.

Mr Brøndlund Nielsen. — (DK) Since I spoke yesterday and since my point of view is different from that of my group, it is perhaps right that I should briefly explain why.

Mr President, I feel that the report contains many valuable ideas, and there is a European aim that I also support: the need for cooperation between our countries. I feel it makes a valuable contribution to ideas and deliberations about the future working methods of the Institutions, but I also feel that there are some weak points.

I am one of those who—like Mr Broeks—deplore the common security and foreign policy, and I also believe that there is some justification in Mr Stewart's comment yesterday that the discussion could perhaps have continued for some more months.

I may perhaps allow myself the liberty of saying, Mr President, that in the last hour we have felt that it was more committee work than anything else that we were discussing in plenary sitting.

I also hesitate to say that the most crucial point in the report, the principle of common security and foreign policies is very prominently mentioned. It is not until sub-paragraphs 3 (d) and 3 (f) respectively that economic and monetary cooperation and cooperation in the policy on energy and supplies of raw materials are mentioned. These two points are, I feel, specific points which should be taken up quickly since they are of the utmost importance to Europe.

In conclusion, I will abstain from voting.

(Applause)

President. — Ladies and gentlemen, since no-one else wishes to speak, we shall now proceed to the vote which, as a result of the two requests I have received, will be by roll call.

This will begin with Mr Faure whose name has been drawn by lot.

The vote may commence.

I ask the Secretary-General to call the roll.

(The roll call was taken)

Does anyone else wish to vote?

The ballot is closed.

Here is the result of the vote:

President

Votes cast : 100

For: 71

Namely:

Achenbach, Aigner, Artzinger, Bayerl, Berkhouwer, Alfred Bertrand, Blumenfeld, Boano, Carpentier, Concas, Corona, Corrie, Corterier, de Keersmaecker, Della Briotta, de Sanctis, Deschamps, Didier, Fellermaier, Flämig, Frehsee, Früh, Geurtsen, Giraudo, Hansen, Jahn, Jakobsen, Lord Gladwyn, Mrs Kellett-Bowman, Kirk, Klepsch, Kofoed, Lange, Lautenschlager, Leenhardt, Lenihan, Liogier, Lückner, de la Malène, Martens, Memmel, Willi Müller, Emile Muller, Mursch, Ney, Noè, Normanton, Mrs Orth, Osborn, Pêtre, Pintat, Poher, Lord Reay, Sir Brandon Rhys Williams, Rivierez, Rosati, Lord St. Oswald, Santer, Schmidt, Schwabe, Scott-Hopkins, Seefeld, Shaw, Spicer, Springorum, Suck, Terrenoire, Vandewiele, Walkhoff, Zeller, Spénale.

Against: 9

Namely:

Espersen, Fabbrini, Mrs Kruchow, Lemoine, Leonardi, Maigaard, Knud Nielsen, Sandri, Thornley.

Abstentions: 20

Namely:

Albers, Lord Ardwick, Broeksz, Lord Bruce, Lord Castle, Dalyell, Ellis, Evans, Lady Fisher, Lord Gordon-Walker, Hamilton, Van der Hek, Hughes, Laban, Mitchell, Brøndlund Nielsen, Nyborg, Prescott, Stewart, Lord Walston.

The majority has been attained. Parliament has voted very clearly in favour of Mr Bertrand's resolution and I congratulate him on his excellent work¹.

(Loud applause)

6. Tabling of a motion for a resolution, decision on urgency and inclusion in the agenda

President. — Ladies and gentlemen, I have received from the chairmen of the six political groups a motion for a resolution on the setting up of a procedural committee (Doc. 191/75).

Pursuant to Rule 1 of the Rules of Procedure, a request has been made for this motion for a resolution to be dealt with by urgent procedure. Are there any objections?

The adoption of urgent procedure is agreed.

I assume that Parliament will give its agreement to the immediate inclusion of this item on the agenda.

As no one has asked to speak, I put this text to the vote.

The resolution is adopted¹.

¹ OJ No C 179 of 6. 8. 1975.

7. Tabling of a motion for a resolution, decision on urgency and inclusion in the agenda

President. — I have received from Mr Fellermaier, on behalf of the Socialist Group, and from Mr Kirk, on behalf of the Conservative Group, a motion for a resolution on the latest terrorist attack in Jerusalem (Doc. 190/75).

Pursuant to Rule 14 of the Rules of Procedure, a request has been made for this motion for a resolution to be dealt with by urgent procedure.

Are there any objections?

The adoption of urgent procedure is agreed.

I presume that Parliament will give its agreement to the immediate inclusion of this item on the agenda and that it will wish to debate it jointly with the motion for a resolution tabled by Mr Blumenfeld and others on the latest act of terrorism in Jerusalem against citizens of the State of Israel (Doc. 188/75), in respect of which it was decided to adopt urgent procedure on Tuesday 8 July 1975.

On this resolution I have Amendment No 1 tabled by Mr Blumenfeld replacing the motion for a resolution by the following text:

'The European Parliament,

— alarmed at the latest terrorist attack in Jerusalem, for which the Palestinian Liberation Organization (PLO) has claimed responsibility,

1. Condemns as a matter of principle all use of force to solve political problems;
2. Warns in this connection against the danger which continued terrorist activities, in particular those of the PLO, constitute for world peace and for Euro-Arab relations;
3. To safeguard these relations in a constructive spirit, calls on the Council and Commission of the European Communities to convey these fears to their partners in the Euro-Arab dialogue and to persuade the PLO to renounce the use of violence, which always breeds violence, if the continuation of the Euro-Arab dialogue is not to be jeopardized;
4. Instructs its President to forward this resolution to the parliaments and governments of the Member States and to the Council and Commission of the European Communities.'

I call Mr Blumenfeld.

Mr Blumenfeld. — (D) Mr President, in detailed discussions with the Conservative and Socialist Groups, who had tabled a motion of their own, I have done my best to find a wording that would satisfy all in order, so far as possible, to table a joint motion for a resolution. I have also spoken to other Members of this House, in particular those who had signed my original motion.

Blumenfeld

Despite all these efforts, however, it has not proved possible to table a joint motion for a resolution.

If you compare the two texts—Doc. 188/75, which is now proposed by my group, and Doc. 190/75, containing the motion for a resolution tabled by Mr Fellermaier and Mr Kirk—you will find that there is scarcely any difference of either content or wording, with the exception of two short phrases in my motion which I now propose to explain.

The first point is that I have included in paragraph 2 a reference to the PLO, which is missing from the motion tabled by Mr Fellermaier and Mr Kirk. The second is that paragraph 3 of my motion, which I have tabled on behalf of the Christian-Democratic Group, adds at the end the thought that if the PLO refuses to renounce the use of violence the continuation of the Euro-Arab dialogue will be jeopardized. You have the text in front of you.

I shall now speak briefly to the motion we have tabled. What we are concerned with is not the business of dealing with problems now 30 years old or with any other historical events; neither are we concerned with the justification of any particular attitude towards Zionism or with the question of anti-Arab resentments; the essential point is that, in a debate held the day before yesterday, this House wholeheartedly condemned the particularly unscrupulous attack which took place in Jerusalem last week-end and that, moreover, official spokesmen of the PLO have describe terrorism and murder as deeds of heroism and have now officially claimed responsibility for this crime.

It is also relevant that representatives of the PLO are now taking part as experts in the Euro-Arab dialogue which has begun.

If, therefore, the European Community finds itself confronted at the conference-table by partners who officially justify terrorism and cold-blooded murder as political weapons, then ethics, self-respect and civil courage no less than our conceptions of legality and political cooperation make it absolutely necessary to say what we think in the most unambiguous terms.

One wins neither one's partners' nor one's opponents' respect by ignoring injustice, by yielding to blackmail or by trying to worm oneself into the culprits' favour. The most recent past offers many examples of how one can win respect by adopting a clear-cut attitude. One need only mention the Dutch Foreign Minister, Mr Van der Stoel, who refused to journey to an Arab country because that country had refused an entry permit to a journalist accompanying him who was of the Jewish religion. This atti-

tude of his was respected by the Head of Government of the Arab country concerned, and subsequently it proved of great benefit to the Dutch government and the Dutch economy.

In conclusion, Mr President, I should like to say with all the emphasis at my command that whoever has not learned the lessons of the past—in particular, those offered by Hitler's dictatorship and fascism—must be plainly told that today, no less than in the past, such things must be nipped in the bud; we must oppose everything that we feel to be wrong and irreconcilable with our political and moral principles and with our conception of a state based on law.

For these reasons, my group has authorized me to table this amendment, in paragraph 3 of which we state in no uncertain terms that if this does not stop the continuation of the Euro-Arab dialogue may be jeopardized. I therefore ask the House to vote for our motion.

(Applause)

President. — I call Mr Stewart.

Mr Stewart. — The occasion both for the motion which I am moving and for the motion which Mr Blumenfeld has moved was the horrible outrage in Jerusalem. I do not think that there is any difference of opinion in this Assembly in condemning that outrage. But we are faced with the ugly fact that scarcely a week goes by in the world in which we live when there is not some act of cruelty, violence or tyranny, and the problem which genuinely faces this Parliament is on which occasions and on how many occasions it is proper for us to take notice of the matter.

Mr Blumenfeld's motion refers to the threat to world peace arising from continued terrorist activities on the part of the PLO. As distinct from that, our motion refers to the danger which continued terrorist activities constitutes for world peace and Euro-Arab relations—continued terrorist activities from any quarter whatever.

I believe that one reason that we are discussing this particular outrage rather than any other of the many which have occurred in the world recently is the danger which acts of this kind in the Middle East pose to world peace. That is a justifiable reason why we should give particular attention to this particular act. It is certainly true that acts of brutal and indiscriminate violence of any kind and from any quarter in the Middle East do pose a threat to world peace and to good relations between the Arab countries and the peoples of Europe. I think therefore that the motion I am moving is more in accord with the facts and the needs of the situation than that of Mr Blumenfeld.

Stewart

There is another important difference in paragraph 3. In that paragraph we consider not only that of which it should be hardly necessary to state our detestation, but the question of what action can most wisely be taken. This is a matter where one has to consult not only one's natural indignation but one's judgment, and when every refinement of words has been gone through I think the difference between us lies in the fact that the motion I am moving suggests that in effect we take advantage of the fact that a Euro-Arab dialogue is going on to draw to the attention of the Arab countries the continued violence and the justification of violence carried on by the PLO. That I believe we may rightly and usefully do. Mr Blumenfeld's motion originally suggested that the dialogue should stop and not be resumed until acts of terrorism had been renounced. The motion said that explicitly. It has been amended and now refers to the dangers that these acts pose to the continuation of the dialogue. In that, I contend, there is the unquestionable suggestion that the dialogue should be brought to an end unless the acts of terrorism are renounced. I do not believe that this would be a wise action to take.

Mr Blumenfeld suggested that unless we took the course he advises we might be lacking in courage and in self-respect. I do not think that that is so. I think that all of us want to approach this matter in the spirit not only of detesting violence as civilized men must do, but of earnestly considering what kind of action and attitude is more likely to help lead to the growth of civilized behaviour in the Middle East and throughout the world. We believe that the approach which we have suggested is more likely to have that result. I do not think that I can accept the analogy which Mr Blumenfeld drew with the action of Mr van der Stoep, when he refused to go to a conference because the other side told him 'You must not bring so-and-so with you'. That is an impossible demand. In no circumstances could one confer with somebody who abrogated to himself the right to decide what advisers one should bring.

But that is not the kind of matter that is in issue here. The suggestion, or half-suggestion, is that one should not discuss with people who justify violence. I wish that we lived in a world in which we could behave like that. But I ask the Assembly to consider many events in the world in recent years when acts of violence and cruelty have been committed, and men have had to sit down at a conference table facing people who they knew were responsible for violence, and even justified it. It is only by willingness to do that sometimes that one can hope to bring violence to an end.

I trust that there is no suggestion in any part of the House that a difference of opinion about the wisest action to take implies any difference among us in our rejection of violence. But we do not want that condemnation of violence to be limited to acts committed by a particular group. We suggest that the course of action proposed in paragraph 3 of our resolution is rather the course of wisdom than that proposed in paragraph 3 of the other resolution. Therefore, I commend our resolution to the Assembly. *(Applause)*

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

Mr Scott-Hopkins. — I am glad to have the opportunity to follow the right honourable gentleman who has just spoken. I am sure the entire House would agree with him. I do not think there is any doubt at all that we all condemn the acts of violence and terrorism no matter who it is who starts them or does them. I could not agree more with him when he says that unhappily it seems that every week that goes by, and almost every day, one hears of acts of this kind of terrorism taking place. We live in a violent world indeed.

There is very little for me to add to what has already been said by the right honourable gentleman except perhaps to underline the reasons why my group is in support of his resolution rather than that which has been moved by my friend, Mr Blumenfeld.

First, I believe it is very important that we should condemn all acts of violence no matter where they come from. Linking that with the third paragraph which has also been underlined by the right honourable gentleman, referring in this particular case to the Middle East, which at this moment is an absolute tinderbox that could go up at any minute, I do not think it is right to do more than say that all acts of violence must be condemned.

What we have to do from now onwards is find some method of sitting down and talking to those who are living in that part of the world, those who have got to continue to live together in that part of the world, and do what we can through this discussion and dialogue to find some way to break out of the impasse which exists there at the moment.

If we are going to point the finger too drastically and say, 'Unless this or that happens, then we cannot sit down and talk any more with you', this is counterproductive. That is why we support paragraph 3.

As has been said, I hope nobody will have the impression that there is a vast difference bet-

Scott-Hopkins

ween any of us in this House here today. Certainly there is very little difference between Mr Blumenfeld and me in the sentiments of condemnation for what has taken place, and particularly what took place last weekend in Jerusalem. Both I and all my friends condemn it from the bottom of our hearts. We all of us want to stop it and we will go to any lengths to do so.

However, as the right honourable gentleman of the Socialist Group has said, we believe that we have to talk to these people. We have to go on talking no matter how repugnant it may be, because this is the only way we shall be able to get any sense or any form of agreement, perhaps not now but in the future, which will help to work towards peace.

We therefore support the resolution which has been put forward by the Socialist Group.

(Applause)

President. — I call Mr Berkhouwer.

Mr Berkhouwer. — (NL) Mr President, we would like to leave no doubt about the fact that we agree with all those in the House who condemn this use of violence. Personally, I have never been a supporter of selective incrimination, in other words choosing either the extreme left or the extreme right and then saying that the one side may use force and the other side may not. I, for my part, believe that no force should be used on either side. This opinion is backed up by what I have read today in 'L'Express'. There we read, under the heading '*Les cibles des tueurs*': '*Turcs, Japonais, Palestiniens, Allemands et Français, les terroristes ont constitué un front mondial de l'assassinat*'.

This should, in my opinion, give us food for thought. We have once again adopted a strong resolution on the consolidation of civil rights and all this implies. I believe, however, that one of Europe's major concerns is to combat this wave of terror, which is striking at the roots of our western civilization. It is happening here at home, and it is also happening in Jerusalem, which, together with Athens and Rome, is one of the outposts of Europe.

Mr President, I would like to strike a conciliatory note in this Assembly. I greatly regret—and I believe that those concerned also find it a pity—that a formula has not been found which would have the same general consensus as our revulsion. We all loathe force and, for this reason, I would like to forge a link between the two motions for a resolution. It should be possible, in my opinion: perhaps something can still be done about it. Perhaps we could put off

voting until tomorrow. I find it terrible that we are soon to vote on two motions, one of which is the result of very fortuitous political cooperation. I will not go into this further, since I am not here to make trouble or sow discord. I do, however, find it terrible that we should be divided on a subject that fills us all with revulsion. The voting will be approximately fifty-fifty. Anyone who agrees to vote for the one motion will not be able to vote for the other. I presume that it will be impossible to vote for both. The President should decide which motion goes furthest. There may be Members who will vote for the most far-reaching motion and, if this is accepted, perhaps also for the other. It is a terrible thing, it seems to me, that this atrocity should have plunged us into a technical political problem.

Mr President, I shall not go into detail on what Mr Michael Stewart and others have said about the people accompanying Mr Max van der Stoel. Of course, everyone should be able to choose his own advisers. But the gentlemen have got the wrong end of the stick, since the truth of the matter was that Mr van der Stoel wished to be accompanied by a Jewish journalist, and this was refused and then Mr van der Stoel said: 'I am not coming either'!

That was the situation, but I shall not go into it further.

At the present time, we are experiencing the strangest things: potentates in certain areas are even demanding that certain Prime Ministers or Foreign Ministers should come to them if they want to avert certain acts of terrorism. We are experiencing, I repeat, the most indescribable things at the present time.

Mr Michael Stewart said that Mr Blumenfeld's amendment stated that the negotiations—I quote Mr Stewart—'must be brought to an end, unless...'

But this is not what Mr Blumenfeld's amendment says. Mr Blumenfeld only says that it must be pointed out to the gentlemen of the PLO that they must change their attitude 'if the continuation of the Euro-Arab dialogue is not to be jeopardized'.

So the amendment does not say that 'the dialogue must be brought to an end, unless...'; it simply states that the PLO's attitude must change if the continuation of the dialogue is not to be jeopardized.

Mr President, if circumstances over which I have no control force me to make a choice, I prefer that amendment, since we shall not change the attitude of the PLO by adopting a clement attitude ourselves, by being pleasant

Berkhouwer

and saying: 'Would you be so kind as to do such and such...'. That will not bring any respect.

I choose Mr Blumenfeld's version since I would like to express in this way the fact that I will not sit down at a conference table with a negotiating partner whose party includes a number of men who may at any moment start shooting at me.

Mr President, we cannot accept shooting and talking at the same time. We must also make this clear.

(Applause)

President. — I call Mr Spicer.

Mr Spicer. — I shall be very brief. I am sure that we all respect the very sincere views expressed by Mr Blumenfeld, but I want to bring one point home to him. His aim is to prevent further acts of terrorism, but implicit in part of his motion is the seed for further acts of terrorism, if you read the situation in the Arab world as I do, with a few years' experience behind me in that part of the world. Mr Blumenfeld has said that if the PLO is not prepared to renounce the use of violence the whole future of the Euro-Arab dialogue will be put at risk. Yesterday, in presenting his original motion, Mr Blumenfeld said that the PLO cannot be determined or defined. That is absolutely right. There are people within the PLO organization and people on the fringes of the PLO organization who want to see the Euro-Arab dialogue put at risk and even destroyed.

What worries me about Mr Blumenfeld's motion and its acceptance is the thought that it could easily bring about further acts of violence, so I shall not have the slightest hesitation in casting my vote in favour of the resolution put by the right honourable Member, Mr Michael Stewart.

(Applause)

President. — I call Mr Cheysson.

Mr Cheysson, member of the Commission. — (F) Mr President, the Commission has studied most attentively the two motions for resolutions and the amendment tabled by Mr Blumenfeld.

Naturally, it will study the matter once more if and when the Parliament adopts one of these texts; but before outlining the Commission's position on the situation as a whole, I would ask the authors of these motions to devote their closest attention to two points.

First, no government of a Member State of the Community and no Institution of the Com-

munity has to my knowledge recognized the Palestinian Liberation Organization. At no time have we agreed to a dialogue with this organization, and it would be a curious paradox, Mr President, if, after an attack which we abominate, this Parliament were to ask the Commission, as a subordinate executive body, to approach the PLO officially for the purpose of advising it to abandon a particular course of action. We have never maintained official contacts with the PLO and have no intention of doing so now in view of the attitude taken by the member governments and by the Community. Once more I say that it would be a strange paradox if the Parliament were now to ask us to approach the PLO with the demand that it renounce acts of violence.

On the other hand, Mr President, I would remind the House that the Community and, as far as I know, the 9 member governments acting within the framework of political cooperation have consistently taken the stand that the Euro-Arab dialogue should not cover political subjects. The whole point of all the efforts that have been made so far has been to ensure that there shall be no delegation from the Arab League and, even less, from the PLO at the conference-table and to avoid all political discussion at the meeting which took place yesterday in Cairo as also at the Rome meeting and those meetings that are to follow.

It would therefore seem to me very dangerous to adopt any political stand now in the Euro-Arab dialogue, however indignant we may be— for, of course, the Commission shares the indignation shown by the Parliament and by the authors of the various resolutions.

The Commission shares this indignation, whatever acts of violence may be committed and whoever may be responsible for them. Like the Members of this Parliament, it considers that the rights of neither side are served by violence. The legitimate rights of the Palestinian people are no more served by an attack for which the PLO claims responsibility than its interests are served by bombing another state. Violence everywhere must be condemned, particularly at the present moment, when, for the first time, a prospect of peace is beginning to emerge.

So far as the Commission is concerned, the most reasonable attitude is that contained in the text adopted in April 1974 by the Security Council in its resolution No 347, which condemns all acts of violence and all acts resulting in the tragic death of innocent civilians, asks all interested parties to refrain from acts of violence and from all actions likely to hinder negotiations aimed at the establishment of a

Cheysson

just and lasting peace and asks them to respect the obligations imposed by the Charter of the United Nations. That is what I think our aim should be.

It goes without saying that the Commission is in entire agreement with various speakers on what these aims should be, but, on its behalf, I would repeat what I said just now: Do not, I beg of you, instruct us to get in touch with an organization which we have never recognized or approached officially.

(Applause)

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

Mr de la Malène. — *(F)* Mr President, there is no need for me to say that my Group deplores as much as any other this attack and other criminal acts committed throughout the globe and more particularly in the Middle East. But I may say that my group profoundly regrets the course this debate has taken and the kind of escalation it has produced.

If I had to make a choice, I should probably choose the text that was closest to that of the Security Council just mentioned by Mr Cheysson. But, I repeat, profoundly regretting, as it does, this kind of debate and convinced as it is that it will not help the situation in the Middle East at all, my group will abstain from voting if the debate continues along these lines.

President. — I call Mr Blumenfeld.

Mr Blumenfeld. — *(D)* I ask for the floor once more because I regret that I cannot follow Mr Cheysson's arguments. I must put one or two points right concerning my amendment. Mr Cheysson, it is a fact that the representatives of the PLO have been sent to take part in the Euro-Arab dialogue as experts within the delegation from the Arab League. The very reason why the dialogue began so late was that for almost three-quarters of a year the Member governments could reach no agreement on this question and were reluctant to see official organizations such as the PLO taking part. That is the reason why they are included as experts in the delegation of the Arab League, although they are identified as members of the PLO.

Secondly, paragraph 3 of the motion as now tabled by us does not state that the Community delegation should negotiate with the PLO. The paragraph states—and I would ask you to read the text once more—that in order to safeguard the relations between the Com-

munity and the Arab countries in a constructive spirit the fears which we have expressed should be conveyed during the dialogue in order to persuade the PLO, via the Arab governments, to renounce the use of violence, which always breeds violence. This is an allusion to acts of violence committed by both sides, including the Israeli side, which have a mutually-escalating effect.

I would ask Mr Cheysson to agree with me that his interpretation is incorrect and cannot be read into paragraph 3 of our amendment, and therefore also cannot be used to influence feelings. I would ask him to accept this correction in the spirit of an explanation.

Thank you, Mr President, for giving me the floor to explain this point.

President. — I call Mr Normanton.

Mr Normanton. — Although I shall support the resolution in the names of Mr Kirk and Mr Fellermaier, I do not do so in the spirit of wishing to reject the resolution standing in the name of my good friend Mr Blumenfeld. I say with all the eloquence I command that this House is deceiving itself if it believes that by means of resolutions, in whatever form they are worded, terrorism will be brought to an end. It will not.

Until all governments and all peoples who believe in the rule of law and order, both inside their own countries and in the world at large, have the courage to stand four-square and utterly reject all acquiescence in the demands of those who commit acts of blackmail and terrorism, so long will those acts continue, and continue to be successful. I will support Mr Kirk's resolution, but do not let us deceive ourselves about its effectiveness.

President. — I call Mr Fellermaier.

Mr Fellermaier. — *(D)* Mr President, ladies and gentlemen, Commissioner Cheysson's contribution to the debate deserves close attention. His argument that both motions—both that of the Christian-Democratic Group and that of the Socialist and Conservative Groups—might, in their wording of paragraph 3, create the impression that we considered it possible that the Commission in future should bring pressure to bear on the PLO, with which it has in fact so far had, and will have, nothing to do, seems to me so cogent that certain consequences must be drawn from it.

In effect, the consequence is that, in agreement between the Conservative and the Socialist

Fellermaier

Groups, paragraph 3 of our motion for a resolution should be changed to read as follows:

'To preserve the untroubled nature of these relations, invites the Council and Commission of the European Communities to convey this sentiment to their partners in the Euro-Arab dialogue;'

The remainder of paragraph 3 would then be deleted.

President. — As no one else wishes to speak, I put Amendment No 1 tabled by Mr Blumenfeld to the vote.

Amendment No 1 is rejected.

Mr Blumenfeld, are you maintaining your original motion for a resolution?

Mr Blumenfeld. — (F) No, Mr President.

President. — The motion for a resolution (Doc. 188/75) is therefore withdrawn.

We shall now vote on the motion for a resolution tabled by the Socialist Group and the Conservative Group on the latest terrorist attack in Jerusalem, as amended orally by Mr Fellermaier.

I call Mr Laban for an explanation of vote.

Mr Laban. — (NL) Mr President, I voted for the amended Blumenfeld resolution since it incorporated an element of sanction even if this was somewhat concealed. As for the resolution tabled by the Socialist Group and the European Conservatives, I am pleased to see that it expresses a large degree of concern about the action organized by the PLO. The difficulty is that no sanction is included in paragraph 3. Nevertheless, I believe that Parliament is taking the right path with this resolution. It does express clearly opposition to PLO activities. At the same time, I am convinced that this resolution will have no effect. The PLO will presumably undertake similar action again in the near future. I believe that if Parliament adopts this motion for a resolution, it is morally bound to impose sanctions the next time. As these sanctions are now lacking I oppose this motion for a resolution.

President. — I call Mr Berkhouwer for an explanation of vote.

Mr Berkhouwer. — (NL) Mr President, my opinion differs somewhat from that of my honourable colleague, Mr Laban. I still regret the deplorable course of this debate. Otherwise, I have every respect for Mr Laban's opinion,

whose reasoning is that what is left is not put strongly enough, and who is therefore against the motion. In my heart of hearts, I would also be inclined to reason in this way. Nevertheless, I hope that, after rejecting Mr Blumenfeld's resolution, we should be able to give the greatest possible support to what has remained of the whole matter.

I believe that we shall only cloud the issue even further by creating divisions in the form of abstentions and votes against. I shall therefore perforce support the motion for a resolution tabled by the Socialists and Conservatives, since this, as the English would say, is 'the next best'. I hope that we shall reach the greatest possible measure of unanimity in the Parliament on the basis of what remains.

President. — I call Mr Blumenfeld for an explanation of vote.

Mr Blumenfeld. — (D) Mr President, I am sorry that I shall not be able to vote for Mr Fellermaier's motion for a resolution, particularly after the last change of wording he has felt obliged to make. In my view, it is a text which says nothing that is worth saying and is unworthy of this Parliament.

President. — I call Mr Klepsch for an explanation of vote.

Mr Klepsch. — (D) Mr President, I quite agree with what Mr Laban has said and consider that the trouble we have taken has been a waste of time if we are expected to adopt the motion for a resolution as it now stands. I shall not vote for it.

President. — I call Mr Albers for an explanation of vote.

Mr Albers. — (NL) As one of the signatories to the original resolution, I would like to say to you, Mr President, and my colleagues here present, that I naturally regret particularly that the original resolution has led to division in this Parliament. However, we can only try to draw up a resolution on which all can agree, so that we have a substantial say in the Euro-Arab dialogue. I am particularly disappointed that the tabler of this motion for a resolution and some of the original signatories do not see the necessity for this. As presumably the last person to explain his vote, I would like to appeal to them to read the text well once again...

Mr Laban. — (NL) So that we ultimately vote for an empty package!

Mr Albers. — (NL) ...and to understand we must make our indignation felt in the Euro-Arab dialogue through this resolution. This will surely have an effect, and that effect will be all the greater the more votes there are in favour of this resolution.

President. — I call Mr Deschamps for an explanation of vote.

Mr Deschamps. — (F) Mr President, I have already stated, in Mr Blumenfeld's absence, that I cannot subscribe to his motion. I gave two reasons for my attitude: first, I refused to recognize the PLO as a valid negotiating-partner of whom we could legitimately demand any obligations; secondly, I considered that this Parliament has unfortunately no means at its disposal of applying any sanctions. You won't discourage any terrorists by rattling a wooden sabre in front of them.

But I also said that in my view it is always a good thing to repeat, in an Assembly such as ours, one's moral disapproval of actions that are thoroughly reprehensible. That is why, in view of the course which this debate has taken, I shall vote for Mr Fellermaier's amended motion.

President. — I call Mr Corona for an explanation of vote.

Mr Corona. — (I) Mr President, I am in favour of the motion for a resolution submitted by Mr Fellermaier and Mr Kirk, even in the light of the amendment tabled by Mr Fellermaier. I must refuse to vote on it, on the grounds that the resolution will be of no use and will not achieve anything. Some Members have already said the same though it is clear that their real reason for doing so is that they are opposed to the resolution.

Mr Fellermaier's amendment was tabled only after the Commission's request that it should not be forced implicitly into the position of having to recognize the PLO, and this, therefore, is what the amendment is about, no more and no less. If we approve of it, we shall be refusing to recognize this so-called Organization for the Liberation of Palestine, which has claimed responsibility for the outrages and thus we shall not be taking from but rather adding force to the European Parliament's moral condemnation of all forms of terrorism.

(Applause)

President. — As no one else wishes to speak, I put to the vote the amendment presented orally by Mr Fellermaier.

The amendment is adopted.

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

The resolution is adopted.¹

8. *Tabling of a motion for a resolution and adoption of urgent procedure*

President. — I have received from the Communist and Allies Group a motion for a resolution on the violation of democratic freedoms in Indonesia (Doc. 189/75).

Pursuant to Rule 14 of the Rules of Procedure, a request has been made for this motion for a resolution to be dealt with by urgent procedure.

Are there any objections?

I call Mr Berkhouwer.

Mr Berkhouwer. — (NL) Mr President, Mr Lückner and I have divided the world between us at the drop of a hat. In view of my longstanding links with Indonesia, Mr Lückner has proposed that as far as the adoption of urgent procedure is concerned I should speak on Indonesia and he will speak on Chile.

We are unanimous in considering that this matter is not urgent. We now have to speak simply about whether or not it is urgent. We are not going to discuss the matter itself. The present question arose for the first time many years ago. The conflict between the Soeharto regime and the Communists worsened in 1965. There is no point in asking the delegation which is to visit five countries of South-East Asia to take with it a message for one of those countries. Unfortunately, in several of those countries, democracy is perhaps not as far advanced as in most countries of our continent at the present time.

We are therefore of the opinion that the European Parliament should not adopt urgent procedure for this matter. It is my honour to state this view on behalf of the political groups of Mr Lückner, Mr Kirk and Mr Fellermaier. I see that the Group of European Progressive Democrats also subscribes to this view. So this House is practically unanimous on the fact that this motion for a resolution should not be considered under urgent procedure.

President. — I call Mr Sandri.

Mr Sandri. — (I) Mr President, I am not rising to speak on the merits of our motion for a resolu-

¹ OJ No C 179 of 6. 8. 1975.

Sandri

tion but only on the matter of the urgency procedure.

I should like to point out to Mr Berkhouwer that we are not asking that a stand should be taken on the tragic events that have taken place and are still taking place in Indonesia. All that we are asking is that the European Parliament delegation that is about to visit that country should be in a position to acquaint the Indonesian authorities with Parliament's concern about these matters, in accordance with the practice followed by other delegations of ours in similar circumstances on previous occasions. Just to take one example of the many that could be mentioned, let me remind you of the visit paid by a European Parliament delegation to Latin America. On that occasion the delegation was able to voice its perplexities and doubts about events that had taken place in that continent and to outline its own stand in principle on these matters.

Since the delegation is leaving within one week from now, to postpone the debate on the motion for a resolution would be the same as voting against it. For this reason, Mr President, we must insist on pressing our request that the motion for a resolution submitted by us be debated by urgent procedure.

President. — I consult Parliament on the adoption of urgent procedure.

The request for the adoption of urgent procedure is rejected.

The motion for a resolution will be referred to the Political Affairs Committee.

9. Tabling of a motion for a resolution and adoption of urgent procedure

President. — I have received from Mr Fellermaier, on behalf of the Socialist Group, a motion for a resolution on the Office of the Commission of the European Communities in Santiago de Chile (Doc. 193/75).

Pursuant to Rule 14 of the Rules of Procedure, a request has been made for this motion for a resolution to be dealt with by urgent procedure.

Are there any objections?

I call Mr Seefeld.

Mr Seefeld. — (D) Mr President, ladies and gentlemen, I should like to explain in a few sentences why my group has tabled this motion for a resolution and why it considers the adoption of urgent procedure to be necessary.

According to a press report, the Chilean Head of State, Mr Pinochet, has repeatedly declared during the last few days—for example, to regional authorities in Concepcion: 'I shall die, and my successor will also have to die, but there will be no elections.' On another occasion, he declared to senior officials—and I quote him again word for word: 'Forget about politics and do not think that there will have to be any elections'. This was the occasion for a question addressed by Mr Fellermaier to the Commission, but the question could not be answered during Question Time on account of the shortage of time.

The Socialist Group had intended to request a topical debate; but since the question could not be answered, this request could also not be made. After consultations with other groups, it appears that no objection was raised to dealing in plenary sitting with the matter that Mr Fellermaier had wanted to raise in Question Time, provided a motion for a resolution with debate was tabled during the course of this part-session.

For this reason, I ask the House to agree that the motion be dealt with by urgent procedure in accordance with Rule 14 of the Rules of Procedure.

President. — I call Mr Kirk.

Mr Kirk. — There comes a time every now and again in Parliament when Mr Fellermaier and I disagree. It is not very often, but it happens on this point.

I see the importance of this question, of course. I share with him the repulsion which everyone must feel over General Pinochet and his general declarations. I do not see the urgency. This is clearly a matter on which it should be discussed how we can best handle our relations with Chile and how we ought best to provide our representation in Latin America.

But it would be unfortunate indeed if we were to rush through a resolution of this kind without the advice of the competent Commissioner who is not here and who was unable to answer the question yesterday because we were too verbose in asking other questions of other Commissioners and the Council. Clearly this is a matter which should go to committee.

I therefore hope that Mr Fehsee and Mr Fellermaier could agree that this be referred to the Political Affairs Committee in the normal way and we could come back, hopefully, with a resolution in either September or October.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, ladies and gentlemen, I appreciate the proposal just made by Mr Kirk. He was, however, a little precipitate in supposing that we might not agree. On the contrary, my group could agree to a reference of the motion to the Political Affairs Committee. We are aware that the problem in question is very involved; all we wanted was to give this House an opportunity to say some things that were long overdue.

The issue is not confined to statements made in the last few days by General Pinochet, to which Mr Seefeld has referred. Something else is also involved. I have here, ladies and gentlemen, the Amnesty International list of 24 June of this year, giving the names of a thousand Chilean citizens whose families have been waiting for two years to hear whether they are dead or in prison. The ambassadors of the Chilean Junta in Europe flatly refuse to accept this Amnesty International document, which merely calls for an appeal to this government to find out and to say where the citizens of its own country are!

If we recall the relentless and unambiguous attitude we adopted in this Parliament towards the colonels' régime in Greece—which was one of the things that helped to persuade the democrats in that country that they had friends in the outside world—then it is clear that, under the present circumstances, we must give these people in Chile—it was primarily not the Socialists but the Chilean Christian-Democrats who protested under the former state President Frey, as Mario Soares did in Portugal with the Socialists—an opportunity of knowing that this free Parliament of Europe will dissociate itself from the Chilean Junta if and when human rights are no longer observed and respected. That is what it is all about.

(Applause from the Socialist Group)

That can be symbolically expressed by asking the Commission of the European Communities to consider whether the Office of the European Communities, this diplomatic mission in Santiago de Chile, should not be closed and to what other Latin-American country it might be transferred. This question is closely connected with the discussion of the budget for 1976, for the appropriations for this Office of the European Communities must also be approved, and for these reasons this matter should be examined by the Political Affairs Committee in order that an unambiguous decision may be reached and the Commission given clear political instructions.

President. — I call Mr Berkhouwer.

Mr Berkhouwer. — (NL) Mr President, what I now have to say will probably not please Mr Fellermaier.

It was proposed that this motion for a resolution should be considered without haste by the Political Affairs Committee.

Mr Fellermaier has tackled this matter in the same way as some of the Members who are sitting behind him and whom he accuses of misusing this whole affair.

When we come to voting, the whole of Mr Fellermaier's group will vote in favour of urgent procedure. It was, however, agreed that we should not apply this procedure and that we should sit down in the Political Affairs Committee and consider this problem unhurriedly and attempt to work out a motion for a resolution in committee.

Mr President, you will probably also find this disturbing, but it is not for me to judge the matter.

I greatly regret what has happened here.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, I should like to make myself clear. I said at the beginning that I agreed with Mr Kirk that the motion should be referred to the Political Affairs Committee. That means no urgent debate tomorrow but reference to the Political Affairs Committee, which should deal with the motion for a resolution without delay and then submit it to the plenary sitting in September.

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

The request is rejected.

The motion for a resolution is referred to the appropriate committee.

I invite Parliament's opinions on the rest of the day's work. Should we pass on to the next item or would it be preferable to suspend the proceedings and deal with it at the beginning of this evening's sitting?

I call Mr Berkhouwer.

Mr Berkhouwer. — (F) Mr President, if the reports on budgetary procedure and the Court of Auditors are to be debated tonight, it would be a great pity if the debate were to take place in an empty chamber.

I would therefore ask you to appeal to the House to ensure that the debate, in which Mr Cheysson is to take part, is properly attended.

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission. — (I) Mr President, in order to avoid confusion and misunderstanding, I should like to know what the agenda for to-morrow's sitting is to be. If the wine debate is postponed until to-morrow morning, my colleague, Mr Lardinois, will not be able to be present, as he has to go to Germany on other business.

On the other hand, I feel that the debate on the budget should be held under the best possible conditions. I should like some precise indications, therefore, of how we are going to proceed, so that we can make sure that the Commissioners concerned are present in the chamber.

President. — Ladies and gentlemen, I think it would be wise to adhere to the agenda.

I call Mr Berkhouwer.

Mr Berkhouwer. — (F) May I point out, Mr President, that Mr Cheysson, on behalf of the Commission, and Mr Aigner have confirmed that the debates on the Lange and Aigner reports could be deferred until the September part-session.

President. — I call Mr Lange.

Mr Lange. — (D) Mr President, I have a remark to make. This playing around with the agenda should cease. At the moment it is planned to suspend the proceedings until 9 p.m. At 9 o'clock we can see whether the House is in a position to deal with the matter. If that is not the case, we can defer it. In any case, we should not discuss the question now.

President. — I call Mr Aigner.

Mr Aigner. — (D) Ladies and gentlemen, this question is of vital importance for our work and for our future development. It will be difficult enough to deal with it this evening. You can take it from me that there will not be ten Members present: our Italian colleagues have had to leave for Rome, and I know that quite a number of German colleagues have already left; in addition, a number of colleagues have just informed me that it will be impossible for them to attend the night sitting. We are therefore faced with the fact that we shall have to debate in an empty house. Mr President, that would not prevent me personally from carrying on, but I would ask you to bear the following in mind. We want concertation with the Council. We began this unofficially yesterday, and we want to continue it. Perhaps it would be good, Mr President—I am merely expressing my own thoughts, although I have already discussed the

point with Mr Lange—if the Council were to state that it was prepared to discuss various matters with us during the recess or in the month of September. We might then, perhaps, be in a position to present the House with better, clearer material and complete the break-through that we are aiming for and which we have perhaps already attained with the Council. We hope so, at any rate. The question would then be whether the Council was prepared to carry on with this concertation with us without this debate, in the hope of reaching a more positive conclusion than is at the moment possible on the basis of these treaties.

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

Mr Fellermaier. — (D) Mr President, ladies and gentlemen, at the beginning of this week the Parliament adopted an agenda and there is no justification for completely upsetting this agenda now in the hurry of the moment. We must not give free rein to our feelings.

I therefore request, on the basis of Rule 32 of the Rules of Procedure, that we continue with our work as you have proposed, Mr President, and make no changes to the agenda.

I think this request takes precedence over all other requests to speak.

President. — I consult the Assembly on Mr Fellermaier's proposal.

I call Mr Kirk.

Mr Kirk. — I am one of the rapporteurs involved, since I am rapporteur for the Political Affairs Committee, and I am surprised to hear from Mr Aigner that discussions are going on with the Council without the Political Affairs Committee having been informed. That is an extraordinary state of affairs and it should be thrashed out tonight. I therefore agree with Mr Fellermaier that we must have a debate on the fact that Mr Aigner and Mr Lange are having negotiations with the Council without the Political Affairs Committee being informed and without Parliament being informed. It is not a matter we can allow to pass in silence.

President. — I call Mr Dalyell.

Mr Dalyell. — I support Mr Fellermaier. This is an unanticipated situation and it would be the view of most of my colleagues that the whole question of the Court of Auditors is urgent and vital.

President. — I call Mr Lange.

Mr Lange. — (D) Mr President, ladies and gentlemen, I can only repeat the request to adhere to the agenda, without prejudice to the talks that have taken place and in the course of which the question of a change has been raised. In any case, there has been no final agreement on this point, because I said that we should first ask the President, to whom some of the credit for the work done in this connection is due—the credit is in part due to him and must not fall to his successor.

I respect the wishes of the President of this Parliament, who attaches importance to getting this matter through Parliament before the summer recess. There is also a good reason for this. All the talks that have taken place, including those that were proposed on 28 April—that has nothing to do with official talks within the framework of concertation, etc.—including, that is to say, the tripartite talks which took place yesterday afternoon—have made it clear that the adoption by this Parliament of a decision in this matter would make it possible to adopt quite a different approach to talks with the Council than if we were to defer this matter. Then both Council and Parliament would know where they were.

Further progress will depend on the attitude of the Council. It is absolutely necessary, therefore, that this matter be dealt with today.

President. — I call Mr de la Malène.

Mr de la Malène. — (F) Mr President, I should like to ask a question. Until what time shall we be able to sit tonight in view of all the material necessities? Will the staff be able to work as long as that?

President. — We must allow two or three hours for discussion of the reports by Mr Lange and Mr Aigner.

The debate on the report on wine has been organized on the basis of four hours.

I propose to set the resumption of the proceedings at 9 p.m. and then to debate first of all the reports by Mr Lange and Mr Aigner on the budgetary powers.

It is a question of whether we should then proceed to the debate on the report on wine.

I should like to consult Parliament on this point.

I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission. — (I) Mr President, I should like

to know whether the debate on the wine report is to take place to-morrow morning or whether it will be postponed until another part-session.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, without consultations I am not in a position to state finally on behalf of my group whether the wine-report can be deferred. For that purpose, I should have to discuss the matter at least with our colleagues in the committee concerned. I imagine that other group chairmen are in a similar position.

I therefore propose that we suspend the proceedings now and at 9 o'clock this evening hold a meeting of the Bureau at the same time as the sitting is resumed. While the Bureau is meeting, we shall be able to offer an answer to your question, Mr President, that will be sufficiently precise to enable you to propose a decision to the House—with the request that this decision then be respected.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I hope, Mr President, that you will accept Mr Fellermaier's suggestion that we should break now. I do not see the rapporteur for the wine debate here. I felt strongly that it was wrong to take his report at this part-session, but there are many reasons why it was necessary to do so. I also appreciate that we cannot debate it tomorrow because Mr Lardinois will not be here so a debate would be useless. I suggest that we break now for consultations.

President. — I call Mr Houdet.

Mr Houdet, chairman of the Committee on Agriculture. — (F) I should like to insist to the House that the wine debate be held this evening as arranged.

None of us needs reminding of the very great difficulties under which we discussed the Commission's proposals on the organization of the wine-growing market. I wish to exonerate the Committee on Agriculture from all responsibility, for this committee, despite all the difficulties, has devoted six meetings to this report and is in a position to present it to you this evening.

If we defer this debate until September while the Council of Ministers has decided to discuss the question on 21 and 22 July, there is a danger of there being no opinion of this Parliament at the time when it is needed.

Houdet

I draw your urgent attention to the gravity of the wine-growing situation in some of our countries. We are on the eve of the wine-harvest, and the Parliament must either express an opinion before the wine-harvest or see the Council of Ministers taking its decision without the Parliament's opinion. In that case, however, the Parliament would have to face its responsibility to public opinion.

President. — I call Mr Leenhardt.

Mr Leenhardt. — (F) Mr Houdet has clearly put the reasons for retaining the wine-report on the agenda.

I would remind you that Mr Fellermaier has tabled a procedural motion calling for a straightforward observance of the agenda. I urge that this motion be put to the vote.

President. — I put Mr Fellermaier's proposal to the vote.

The proposal is adopted.

The Bureau meeting will take place at 9 p.m.

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

The House will rise.

(The sitting was suspended at 7.30 p.m. and resumed at 9.10 p.m.)

IN THE CHAIR: MR SPÉNALE

President

President. — The sitting is resumed.

10. *Cange in the agenda*

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

Mr Kirk. — On behalf of the chairmen of the political groups, I wish to propose a modification in the agenda, namely that we should adjourn until tomorrow morning the discussion of the reports by Mr Lange and Mr Aigner on the budgetary changes and the creation of a Court of Auditors, and embark immediately on the debate on the problems connected with wine in the Community.

President. — I call Mr Lange.

Mr Lange. — (D) Mr President, I can only say that I am surprised at this procedure. I have no intention of raising any objections to dealing with the matter tomorrow morning instead of this evening; but when I think of the way in which, between 7 o'clock and 7.30 this evening, a decision was engineered to carry on with the agenda as it was, then I can only say that what the group chairmen now propose could have been considered and put before the House earlier.

President. — I call Mr Aigner.

Mr Aigner. — (D) I should like to subscribe to that—not out of any feelings of glee but rather of regret.

I have, however, another question, Mr President. Is the President of the Council to be at our disposal tomorrow? I see that at the moment he is still there. If we could enter into a discussion with him now, it might be better. Perhaps we could have a reply to this.

President. — Could the President of the Council reply to that question?

Mr Battaglia, President-in-Office of the Council. — (I) Mr President, I regret to have to inform you that unfortunately it will be impossible for me to be here to-morrow. I have followed the debate on Mr Bertrand's report with great interest, and it seemed significant to me that it should come before the debate on the new budgetary powers of the European Parliament. In fact, I delayed my departure to-day precisely in order to be able to take part in the debate on the powers of the European Parliament. Unfortunately, I have undertaken some important political engagements for to-morrow in the belief that this debate would have finished this evening. I would ask the Members of this Parliament, therefore, to accept my apologies for the fact that I cannot be present here to-morrow.

President. — I call Mr Lücker.

Mr Lücker. — (D) Mr President, I must confess to a feeling of guilt, particularly with regard to my colleague and friend Erwin Lange, who of course is to some extent right when he says: Why didn't the group chairmen think of that before?...

Mr Lange. — (D) Very true!

Mr Lücker. — (D) ...Yes, I agree. It is a matter for regret that we spent an hour in discussion instead of voting without waste of time on the

Lücker

proposal made by Mr Fellermaier, who said that we should reconsider the agenda at 9 p.m. I ask Mr Lange's indulgence for the proposal we are now discussing. We had to speak first to the member of the Commission whom we wanted to attend the debate, and that was Mr Cheysson: without his agreement such a proposal could not have been made, and we should have spent in discussion the hour we have had for supper without coming to any result. I therefore proposed to the members of my group that the agenda be changed after the end of the sitting. I really ask for your indulgence. If we were to begin with your reports and continue with the wine-debate, we should be sitting here until 3 in the morning, and no one can be expected to do that.

I particularly ask the indulgence of Mr Battaglia, whose announced absence tomorrow morning I regret very much; but, Mr President, we are faced with the choice of discussing tomorrow morning either the wine-report in the absence of Mr Lardinois—since he cannot be here—or the Lange and Aigner reports.

Once more, I apologize to Mr Lange. I was able to speak only to Mr Aigner and ask him if he would agree to such a solution. He replied: 'Under the circumstances in which we have to work, yes'. The group chairmen also agreed, and in my opinion we should accept this solution rather than discuss the agenda for another hour, since it is quite impossible to cope with both matters this evening.

President. — I call Mr Dalyell.

Mr Dalyell. — Would one be right in suspecting that the basic trouble is yet again that the Parliament is meeting here in Strasbourg and not in Brussels, where all rational men would think it should meet?

President. — I call Mr Aigner.

Mr Aigner. — (D) Mr President, we really should not now begin another discussion on questions of procedure and the agenda. We accept what has been decided. Our group chairmen have doubtless made a virtue of necessity, although I am not quite sure where the virtue lies. I merely wish to ask you, Mr President, and the President-in-Office of the Council one thing: When is tomorrow's debate to begin? I hope the President of the Council will excuse me if I ask him another question. Will the President of the Council be able to place himself once more at our disposal, at the end of this debate, to pursue the concertation further?

President. — I call Mr Battaglia.

Mr Battaglia, President-in-Office of the Council. — (I) Mr President, ladies and gentlemen, it is not a matter of my own personal wishes but of political questions and political deadlines. If the Parliament is at all interested in having the draft on budgetary powers approved as soon as possible, perhaps even in the course of the coming week, it must not forget that the last meeting of the Committee of Permanent Representatives that can be of any help in this matter is to be held to-morrow morning in Brussels.

The vital question therefore is not whether Commissioner Lardinois or myself can be here to-morrow morning but whether Parliament is or is not anxious to have this problem discussed by the Council of Ministers at its meeting of 15 July. I cannot promise you formally that this will happen, of course, but there is a possibility that it will, provided, I repeat, that Parliament considers the problem this very evening and lets the Committee of Permanent Representatives have its opinion by to-morrow. If this cannot be done, then the whole question will automatically be put back until next September or October or November or God knows when.

President. — I call Mr Fabbrini.

Mr Fabbrini. — (I) Mr President, ladies and gentlemen, many of our colleagues are not present because of the decisions taken some time ago with regard to the agenda.

In fact, even the rapporteur on the wine question is missing, simply because he was under the impression that this evening's sitting would begin with the debate on budgetary powers and as a result he and other colleagues have delayed their arrival in the chamber.

I think that we should abide by the decisions already taken, if it is impossible for us to deal adequately with the two questions. This will mean that we shall have to postpone the wine question, but at any rate we should certainly commence with the debate on Parliament's budgetary powers.

President. — I call Mr Knud Nielsen.

Mr K. Nielsen. — (DK) Mr President, this parliament is disrespectfully called the European travelling circus. It could also be accused of continually juggling with the agenda. I strongly recommend that we follow Mr Lange's proposal and keep to the agenda that was adopted and amended so that we know where we are.

President. — I call Mr de la Malène.

Mr de la Malène. — (*F*) Mr President, I think the group chairmen are well aware of the difficulties in which we find ourselves.

The European Parliament has been sitting virtually without interruption since Monday in an attempt to deal with a heavily-loaded agenda which it is difficult to modify. The fact that the documents have been late in reaching us is not the fault of the European Parliament, and, as things are now, we find ourselves more or less in an *impasse*. We should not have to pay for the way other people spend their time, but must consider the interests of our peoples and of our own Institution. Not only we but the staff too cannot deal this evening with budgetary and agricultural problems in succession. We therefore have to make a choice, and there is no point in pretending otherwise.

Perhaps the Committee of Permanent Representatives could change the date of its meeting. Whether COREPER is working or not I cannot say, but I would remind the President-in-Office of the Council that the European Parliament, for its part, has been working without interruption for 8 days. It is not the Parliament's fault if the texts are late in arriving.

We have to choose: either we deal seriously this evening with the budgetary problem, which is important, and defer the agricultural problem or we do it the other way round.

Not only that: we have just heard that the representative of the Commission cannot be here tomorrow. The Council cannot be here, the Commission cannot be here; what is the Parliament to do? I ask you? It therefore has to make a choice, and this the group chairmen have attempted to do.

We could decide to deal today with the budgetary questions and defer the agricultural problem, but we should prefer the other course because that appears to us to be more reasonable. We ask you to accept this procedure and not to look for impossible solutions to an impossible situation.

(*Applause*)

President. — I call Mr Jahn.

Mr Jahn. — (*D*) Mr President, ladies and gentlemen, everyone in this Parliament is, I think, equal and our group chairmen are the first among equals. If we adopt an agenda on Monday and the present speaker as a result is due to speak on two items of Friday's agenda but now does not know whether he will have to speak

at all because everything is turned topsy turvy the evening before, that is a method which for parliamentary purposes is indefensible. As I left this Chamber, my colleagues and I told Mr Della Briotta that he could expect his turn to come round between 10 and 11 o'clock, because that was what we had decided. Now we come back and are confronted with a completely new order of business. We were under the impression that the agenda would be dealt with as we had decided. As one of your colleagues who had expected to speak tomorrow morning at 9.30 on two items of the agenda which had been officially adopted, I ask you: Am I to speak tomorrow or not? Or do we alter the agenda as and when we have to sit here during the night? Sometimes we have sat here until 3 or 4 in the morning, and it has worked very well. I propose that we adhere to the agenda.

President. — I call Mr Lange.

Mr Lange. — (*D*) I would remind the President of the Council that I said earlier on that I did not wish to raise any objections to what the group chairmen had worked out as a solution. All I did was to express my astonishment and make a few observations. But, Mr President, I must make a slight correction to what the President-in-Office of the Council has said.

One cannot, I think, decide that an item should be dealt with by this Parliament on the grounds that, 12 hours later or whenever it may be, it can then be dealt with by the Permanent Representatives. The Permanent Representatives are not an official organ so far as we are concerned. For our purposes, Mr President of the Council, the official organ is the Council, to which the Permanent Representatives belong; they have nothing to do with the Parliament and cannot influence its working methods. We should therefore be very careful in deciding who is responsible to whom. Your argument, Mr Battaglia, holds no water in my view—neither, as you have seen, does it in the view of this House.

(*Applause*)

President. — I call Mr Battaglia.

Mr Battaglia, President-in-Office of the Council. — (*I*) Mr President, I think there has been a major misunderstanding on what the problem is about. I will try to explain it as simply and dispassionately as possible. The problem is not one of arranging a meeting of the Permanent Representatives or of the Council: the problem is that a meeting of the Council of Foreign Ministers was arranged a month ago for next

Battaglia

Tuesday and the European Summit of Heads of State or Government has in turn been arranged for next Wednesday and Thursday. If—I repeat—the European Parliament wishes the Council of Ministers or the European Summit to examine the draft treaties on the new budgetary powers, the last practical day—whether we like it or not—is today. COREPER is a useful instrument which will be used tomorrow if possible to iron out any remaining difficulties.

Moreover, there are technical problems (problems of seals, signatures, and so on) in considering, agreeing and signing the treaties which will have to be resolved somewhat in advance. These are the technical time-limits: I have no desire whatsoever to enter into procedural discussions within Parliament. I would simply point out to Parliament that if it wishes the drafts on new budgetary powers to be considered next week in the two meetings which will be held in Brussels, this is the last practical day. I cannot say more than this. I believe it is only polite to Parliament to point out the situation.

President. — I put to the vote Mr Kirk's proposal to amend the agenda and to debate this evening Mr Della Briotta's report on wine, and to debate Mr Lange's report (Doc. 166/75) and the two reports by Mr Aigner (Doc. 167/75 and 140/75) tomorrow morning.

The proposal is adopted.

I call Mr Jahn.

Mr Jahn. — (D) Mr President, then I must ask when the original agenda for tomorrow will be dealt with, since the rapporteur and other Members have other engagements from 12 o'clock on. When the order of business has been laid down precisely a week before, we cannot say now that everything else is to be thrown into confusion and everyone else must alter his arrangements accordingly. Everyone has a claim to dispose of his own time.

President. — If we cannot finish our work before mid-day, one report can undoubtedly be held over to the September part-session.

I hope nevertheless that we will be able to complete the agenda as planned.

11. Regulations in the wine sector

President. — The next item is the debate on the report drawn up on behalf of the Committee on Agriculture by Mr Della Briotta on the pro-

posals from the Commission of the European Communities to the Council for:

I. a regulation amending Regulation (EEC) No 816/70 laying down additional provisions for the common organization of the market in wine, Regulation (EEC) No 817/70 laying down special provisions relating to quality wines produced in specified regions, Regulation (EEC) No 865/68 on the common organization of the market in products processed from fruit and vegetables and Regulation (EEC) No 950/68 on the Common Customs Tariffs;

II. a regulation on measures intended to adapt wine potential to market requirements:

modification by virtue of Article 149, second sub-paragraph of the Treaty to the proposal for a Council regulation amending Regulations (EEC) Nos 816/70 and 817/70, taking into account the Council Resolution of 21 April 1975 concerning guidelines designed to balance the market in table wines (Doc. 187/75).

I call Mr Della Briotta.

Mr Della Briotta, rapporteur. — (I) Mr President, ladies and gentlemen, speaking to you as the rapporteur on wine, I am following in the steps of Francis Vals. Had it not been for his death, a year ago, it would have been my colleague from Narbonne introducing this debate today. May I pay tribute to his memory, because much of what I have learned and know now about wine in the Community has come from the reports and speeches of Mr Vals. And in paying tribute to him I would like also to draw attention to the work of wine-growers in the South of France to whose problems Francis Vals gave a European scope and dimension.

The European dimension—this is where our discussion must start. It is a serious subject. We are approaching the harvest and many of the crops are already in. I believe, without exaggerating, that today many people throughout the vineyards of the Community are looking to Strasbourg. Each has in mind his own solution: some want to continue adding sugar, some wish to eliminate their most dangerous competitors, some intend to gain a wider share of the market with lower prices. I believe that tomorrow none of these will be satisfied, if this evening we can work as Europeans. We must find a just solution to the problem of wine, respecting the natural laws of healthy agricultural principles, and the rules of behaviour of long-term technology, which are too often forgotten or ignored by the Commission in Brussels.

Della Briotta

It is not a question, Mr President, of French wine, Italian wine or German wine winning a battle. The Committee on Agriculture has attempted to adopt a line which would take account of many individual situations, often correcting the guesswork and hastily devised policies of the Commission and in fact it leaves everyone somewhat dissatisfied. This is quite true. It can be seen from the number and content of the amendments. Paradoxically, I find comfort in this. It means that our resolution does not have winners and losers. Everyone has had to make concessions.

We have, with great difficulty, taken a line which recognizes that there must be a brake on uncontrolled development of planning, which at the same time requires regional adaptation of this rule, within the framework of Directive 150 on the modernization of farms; we have asked for a market organization which can even include compulsory distillation, which is anathema to supporters of the policy of winning larger markets, but we have designed it particularly for poorer quality wines and we rejected the limitation of the withdrawal price to a mere 50% of the guide price; we have expressed reservations about the use of sugar and water for increasing alcoholic strength, but not in a punitive way to force everyone to make wine in the same manner, in fact we have fully recognized the necessity for this in certain regions, but rather to point to a solution for the future, practical and safe from an organic point of view (and extremely economical, since it reduces the amount of grapes to be used in wine making), that is to say the enrichment by means of grape musts (as is done in fact here in Alsace, one of the best known wine areas in the Community); we have limited increases in outlets to third countries, but requested aids for marketing and bottling; we have asked for reductions in the heavy tax burden which sometimes weigh heavily on and threaten wine consumption, but we would like this to be done gradually, because we know that in some countries individual problems persist, arising from local traditions and budgetary considerations. One thing however which we made very clear was the condemnation of the desultory fashion of dealing, or rather not dealing with the problem of frauds on a Community level. I have heard that only the other day the Advocate General of the Court of Justice was obliged to point out the limitations of Regulation 1539/71 on this subject. There are no Community rules on this. And yet the Commission, on 21 May 1974, in reply to a written question, recognized these limitations and this lack and, as it does so often, announced that suitable proposals would be made. Why did it not make them in November or even after-

wards? Why, when it was hard pressed by the overproduction crisis, by the wrath of wine growers and by the Council Resolution of 15 April, did not the Commission see fit to take action in this field? No one, much less the Committee on Agriculture of a Parliament which calls itself European, can support a package which restricts supply, while neglecting such an important aspect of the encouragement of demand as protection against the curse of adulteration.

Are you aware, my dear colleagues, of what goes on? Certain ships are turned away from some ports because the wine which they are transporting does not pass the anti-adulteration tests carried out at the port of arrival. Supposing the wine has been adulterated, do you know what happens? No one is informed of this rejection and these ships, with cargoes of ghost wine, go back to wandering through the Mediterranean and who knows where they end up. Why not inform the authorities of the port of departure?

My dear colleagues, I am told that at Community level we have reached this point in the fight against fraud. But I am convinced that the problem of overproduction and imbalance on the markets, Mr Lardinois, can be resolved better and sooner by action such as that which could be carried out under a common policy against frauds, action which within a few hours could get rid of thousands of hectolitres of shoddy goods, better than any prohibition of further planting. A prohibition which, unless we are pretending to forget that vines are tree crops with a long cycle, would bring about no reduction in the next few years of the quantities placed on the market.

This, very briefly, is the compromise which I am charged to defend in this chamber. Certainly—and if I did not say this I would be making our discussion less clear and less honest—this policy has meant that I too have had to accept a number of major concessions, concessions which concern my personal convictions as an Italian socialist. It is clear that in this chamber I will not defend these personal convictions but the general policy, but if I may be permitted, Mr President, where this policy is overwhelmed by the flood of amendments, I would like right away to state that I must dissociate myself as rapporteur and Member of Parliament, from the prevalence of individual national outlooks, for this is not a basis on which we will ever build together, as we should, a real common organization of the market.

To the representative of the Commission I will say that our resolution, from the three possible solutions when Parliament is consulted (ap-

Della Briotta

proval, rejection and invitation to amend) just settled for the third. You are therefore invited to amend proposals which, as they stand, we cannot approve. I therefore ask you, Mr President, in accordance with the procedure established in this Chamber since 1969, to ask Mr Lardinois shortly to adopt a position on the individual paragraphs of the motion for a resolution which demand a reply, a yes or no from the Commission. You are aware that within the strict timetable to which the Commission obliges us to work, it has been impossible for us to break down the text with individual amendments. But the demands of the resolution are clear and Mr Lardinois would do well to follow the institutional agreements linking Parliament and the Commission and therefore to take the position clearly point by point.

He said in committee that the Regulation of 1970 was a bad regulation and was drawn up this way because the Italians were being difficult. This is untrue. The problem lies in costs, in market factors and, if the statistics were available, it would be easy to prove to Mr Lardinois that production had increased more rapidly elsewhere. Italian wine, at the outside, could do without market support and rely exclusively on its own yields. The complaints, Mr Lardinois, and I am addressing all my colleagues from every region and country, concern rather the attempts to cut back on wine what we are prepared to spend on milk powder. The time of poor relations in the Common Agricultural Policy is over. If economies are needed they must be carried out in all sectors. The battle for wine is only the first step on the way to a more just and united commitment from all of us in all sectors of production in our farms. (Applause)

IN THE CHAIR: MR SANTER*Vice-President*

President. — I call Mr Lange, chairman of the Committee on Budgets.

Mr Lange. — (D) Mr President, the Committee on Budgets has been asked for its opinion. In a very brief letter to the Committee on Agriculture, the committee stated—I will quote the letter and then offer one or two comments:

The Committee on Budgets discussed these proposals for regulations at its meeting of 7 June 1975.

The financial schedule from the Commission accompanying these proposals is based on a theoretical model for the various possible measures in the wine-market.

The Committee on Budgets reached the view that working hypotheses cannot constitute the proper basis for evaluating the financial implications of Commission proposals, since they do not show which of the measures considered the Commission will actually apply and what their financial consequences are.

The Committee on Budgets has, therefore, rejected the proposals for regulations.'

Here we are not opposed to the matter in hand—that I would stress—but to the manner in which the calculations are presented, not only here but elsewhere, which makes it impossible for the Committee on Budgets to exercise its responsibilities. I must emphatically ask the Commission—there are other ways of putting it, but 'emphatically' will do—to abandon this practice once and for all and to adopt financial schedules that will enable the Committee on Budgets to check the calculations and so form an opinion. It is high time we advanced beyond the stage of contenting ourselves with vaguely-formulated budgetary policies. That has no longer any justification.

As I have indicated, the Committee on Budgets has said nothing about the substance, which does not fall within its sphere of competence. If the intention is really to reverse the course of developments in order to avert the fatal consequences of the organization of the wine-market, then I could accept a statement by the Commission that for the moment it could not foresee the financial implications: that would be a statement which at the moment would satisfy the Committee on Budgets. When, however, we come to the budget itself, in which the relevant appropriations have to be incorporated, then the situation must be more specific. Then the Commission—and this remark is not addressed to Mr Lardinois personally, but to the Commission as a whole—will find with increasing frequency—as it has already found—that the Committee on Budgets will not be satisfied with such unreasonable demands. The Parliament, too, will not be satisfied. Here there is no difference of opinion between the Committees on Agriculture and Budgets.

I would say to Mr Lardinois that it would have been better if the curious section entitled 'Financial Note' had been completely omitted from this proposal. That is the reason why we say 'No'. It is not our function to establish the financial implications of a proposal, nor is it to consider changes made to the Commission's proposals by the Committee on Agriculture and to establish their financial implications. (This is a question which concerns, not the Commission, but the procedures of this Parliament.) The committees which are called upon to make decisions in a matter in which the Committee on

Lange

Budgets is also involved because of the financial implications—this remark is addressed to my own colleagues—should not adopt any final decisions until the Committee on Budgets, working on reasonable terms of reference such as I have just attempted to outline, has been able to check the financial implications on the basis of documents which lend themselves to examination and verification.

I am only too willing to concede that the Committee on Agriculture had to examine these proposals under great pressure of time, in just the same way as the Committee on Budgets had to consider the matter virtually at the last minute in order to give the Committee on Agriculture its opinion.

I therefore say to Mr Lardinois that I should be grateful if, on the basis of the conclusions drawn by the Committee on Budgets, he would in future make an effort to provide acceptable summaries of the financial implications of proposals stemming from the sphere for which he is responsible and, whenever he is not in a position to calculate the financial implications, if he would say as much. That at any rate would be better than offering us material which cannot be taken seriously and which leaves one with the impression that one is being made a fool of. We must put a stop to that sort of a thing. For the rest, we shall see what the effects will be. I think Mr Lardinois will be in a position, when the proposals for regulations have been adopted and also when the crop becomes foreseeable, to indicate the state of affairs more precisely. We shall then have virtually reached the stage of drawing up the budget for 1976, and at that stage these things will be of importance.

I have made these remarks, Mr President, in order to explain to the Commission and also to the Members of this Parliament the reasons that prompted the Committee on Budgets to adopt the attitude that it has.

(Applause)

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

Mr Hansen. — *(D)* Mr President, ladies and gentlemen, on behalf of the Socialist Group I congratulate Mr Della Briotta on the excellent report that he has drawn up with so much industry and also with so much patience in view of the numerous proposals for changes that were adopted by the committee. His position was by no means always an easy one, and this is all the more reason for complimenting him on his admirably democratic attitude in the face of proposals for amendments which were aimed

at achieving the necessary balance with regard to the control of planting, guaranteeing the market and improving quality and which in many cases were pushed through by a small majority in opposition to his own convictions. I therefore wish to take this opportunity of congratulating the Commission, in particular Mr Lardinois, on the proposals it has laid before this Parliament—proposals which, in spite of everything, show a degree of balance.

The chief aims of these proposals are, first, to launch a determined campaign against market imbalances due to a superabundance of wine; secondly, to restrict production capacity by setting a limit on plantings; and thirdly, to improve quality by eliminating table-wines of inferior quality. In essence, these aims—and this I wish to stress in particular—answer to the oft-repeated demands put forward by the Socialist Group. It is to be hoped that this will prove a good start which will be followed up by initiatives in other sectors. It may sound a little hard, I know, but I should like to say here that our purpose in attending this European forum is not to pursue national policies but to work out an all-European conception.

(Applause)

That deserves to be stressed. The policy pursued so far with regard to the wine-market has led to surpluses which in future can scarcely be justified from the budgetary point of view. I am thinking of the difficulties which are already casting their shadows before, of the supplementary budget of some 500 000 units of account which will give us quite a lot of food for thought. This courageous initiative on the Commission's part must therefore be welcomed, since the discrepancy in the development of consumer and producer trends for wine is a proven fact. Let me demonstrate this point briefly. During the period between 1961-62 and 1973-74, average yearly consumption rose by 1.14 per cent, while average yearly production increased by 4.21 per cent. We have been told that this figure of 4.21 per cent is, relatively speaking, not so high; but that remains to be proved.

Consumption is primarily influenced by trends in France and Italy, which together consume between 85 and 90 per cent of all the wine produced in the Community. In France the demand appears to be stagnating, while in Italy it has fallen off slightly. There is, on the other hand, a considerable increase in the wine consumed in the other Member States, but this is scarcely sufficient to countervail the stagnation and fall-off in demand in France and Italy.

The sharp increase in production is partly due to technical developments—improved varieties of vine, more efficient watering methods, the

Hansen

generous application of fertilizers, etc. The result is that yields per unit area have increased sharply but that quality has been somewhat neglected. This, of course, has led to the production of inferior table-wines, which tend, either partially or completely, to crowd the quality-wines out of the market. The only way out is the very costly one of distillation, which is becoming more and more of a burden for the Community budget and in the end amounts to no more than a shifting of marketing problems from one sector to another of the alcohol market.

On closer examination, expenditure by the EAGGF on the re-storing and distillation of table-wines is seen to have shot up with incredible rapidity, as may be seen from the following figures: in 1973, expenditure amounted to 9.2 million units of account; in 1974, to 37.3 million units of account—that is, 300 per cent more; and in 1975 so far, it amounts to around 200 million units of account. By the end of the year this sum may be expected to reach about 300 million units of account.

How high these figures are may best be seen by comparing them with the 150 million units of account allocated to the Regional Fund, which is designed to smooth out discrepancies between the poorer and richer regions of Europe. The problem has been aggravated by the record crops of the last two years. Wine production in the EEC amounted to 132.5 million hectolitres (hl.) in 1971-72, to 127.3 million hl. in 1972-73, and to 168.4 million hl. in 1973-74, while the figure for this year is at present estimated at 155 million hl. The harvest for 1975 is expected to be unusually good, and this is proof enough that we are here concerned with a structural imbalance between production and consumption. Since imports and exports balance one another, and in any case account for no more than 2 or 3% of the total output, this plays no part of any importance in the overall balance of supply and demand. We, the Socialist Group, have often declared that we are opposed to dumping surpluses abroad with the help of high export refunds. The tax-payers of the Community are no longer prepared to accept such a procedure. Criticism is growing rapidly, although here and there it may be a little exaggerated.

It is further clear that problems in the wine-sector can no longer be solved by price-policies alone and that something must be done to limit output. The Commission's courageous proposals to this end are therefore much to be welcomed. Even though the ban on replanting may seem a little hard, it must be admitted that it is a necessity which cannot be evaded.

For the Socialist Group there is only one cause for doubt, which is expressed in paragraph 9 of

the motion for a resolution—namely, that the issue of permits for replanting may impair the interests of wine-growers in hill districts. Here I should like to address myself to Mr Lardinois with the request that he give this Parliament a clear and satisfactory answer on this point.

The Socialist Group welcomes the measures for improving the quality of wine—the raising of quality criteria and the making it possible to distil poor-quality table-wines at a very low price. In this connection, Mr Laban is to introduce an amendment.

We hope that this measure will have a preventive effect—in any case, that it will be consistently applied. What we really want is an effective control that will nip all undesirable developments in the bud.

As my group has already stressed in committee, we hope that the Commission will present proposals for dealing with the problem of surpluses in other sectors too, and that the Council will really tackle them instead of continually postponing a decision on them. We cannot go on hesitating until the last minute, as has sometimes been the case in the past.

As we emphasized during the debate on agricultural stock-taking, the removal of these problems is of great importance. We see—not without concern—that criticism of agricultural policy in the Community will continue to grow over a wide area, and it is essential that these problems be removed in the interests of continued European integration, which is what we all have set our hearts on. It will no longer do to play around and treat merely the symptoms; what we have to do is to ascertain the causes resolutely and then to remove them: this will be in the interests both of producers, who will be enabled to obtain a better income, and of consumers, who can expect better quality.

With these reservations and in view of the fact that a number of amendments to the motion were adopted in committee, the majority of my group will vote for the motion.

(Applause)

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

Mr Boano. — (I) Mr President, it is usually standard practice to address the rapporteur and compliment him on the work he has done and the attention he has paid to the problem, but this evening I would like to associate myself with the praise which Mr Hansen addressed to our colleague Mr Della Briotta, not only for the care with which he has carried out his task under time-limits and conditions of work which

Boano

we know made it almost impossible, but especially for having reaffirmed here tonight his overwhelming desire to further a European policy within the conflicting interests which surround this problem, and for the dignity he has shown in dissociating himself when this conciliatory policy was submerged by a series of amendments of a primarily national character.

The work-load, as our colleagues are aware, has been particularly heavy, especially since, after submitting on 25 November of last year a proposal (Doc. No 363) which though containing some new elements was basically traditional in pattern, the Commission has in the new document No 317 of 25 June last, put forward a text which is interwoven with many major innovations.

The prohibition of further planting, the establishment of areas of renewal of vineyards, the review of the wine map of Europe to establish areas which are best suited to selective production, obligatory preventive distillation, the increase in the minimum natural alcoholic content, the elimination from the wine market of all production from table grapes, and the prohibition of marketing wines suitable to become table wines are undoubtedly major problems which, because of their complexity and novelty, would have required a balanced, overall and systematic evaluation.

Even within our group there was a debate between those who referred to what in paragraph 12 of Mr Scott-Hopkins report is called the phenomenon of the increasing disparity between yields from sectors with a high level of Community support and yields from sectors with a low level of Community support and those who believed—and this was the policy adopted in the Committee on Agriculture—that attention should be concentrated on this document, and that the new proposed rules for wine should not be related to the more lenient rules existing in other sectors, and therefore considering this proposal from the Commission as an individual one, to be assessed uniquely on its internal content. But even if we merely consider the individual aspects of this proposal, serious doubts and perplexities were raised in the minds of many of us. We wondered for example whether the indiscriminately low level of the withdrawal price for distillation, 50% of the guide price, with no relationship with the quality of the product, would not be likely to produce the opposite effect to that desired by the Commission, that is to say the effect of stimulating the production of poor wines prepared just for that purpose, so that even a price as low as that would permit them to be marketed profitably by offering those who market them freedom from

the obligation, to deliver 15% of production in a period of grave crisis to distillation. Why not, we wondered, make it obligatory to uproot those plants with poor production? Or, we wondered again, why not, if you wanted to introduce obligatory distillation, do it in a truly selective manner, that is to say relating the price to the alcoholic content of the wine withdrawn? I would like to point out that in paragraph 27 of Mr Scott-Hopkin's report we stressed the necessity to reassess the product 'wine' in terms of alcoholic content. I have to recognize that the division of zone A into two sub-zones and the increase by half a degree and one degree respectively of the minimum natural alcohol content for wines produced in the two new zones created from the original A zone, undoubtedly represent a significant step towards the affirmation of a quality requirement.

But we were not quite so pleased to see, for example, how the Commission dealt with the second example in paragraph 27 of the Scott-Hopkins report, that is to say dealing more severely with wine enriching practices.

On the problem of table grapes, while we agree in general with the necessity to eliminate the introduction of table grapes on to the wine market, it is still questionable whether the Commission has been fully aware of the scope of this problem, and of the lack of solutions and alternative proposals to follow up its determination.

Faced with these facts, we were somewhat perplexed at the complacency with which the Commission pointed out, however indirectly, as shown by Mr Lange, how the introduction of the new regulations halved the already small appropriations to the guarantee section of the wine sector, reducing them from 100 to 50 million units of account.

And yet in this very Chamber, a few weeks ago, when approving paragraph 16 of the Scott-Hopkins report, this Parliament emphasized the fact that measures taken to reduce surpluses should not reduce the Community's responsibility for maintaining farmers' incomes.

To refer to one of the Commission's proposals, which are fully supported by our group, that is to say the prohibition on marketing wines which could become table wines, I would like to ask: has the Commission foreseen that in the case of wines which could become table wines because of their high alcoholic content, this prohibition of marketing will inevitably lead to the reduction of alcoholic content by adding water, with a resulting large increase in quantities put on the market? Mr Hansen a short time ago already expressed his anxiety—which I share—

Boano

about the fact that the transferability of replanting quotas, besides encouraging a black market in licences, will eventually bring about a process of transferring wine growing from the hands of small wine growers, for the most part all farmers in traditional wine growing areas, into the hands of firms operating on a vast scale in areas where growing is easier and yields higher.

One last remark about something which is worrying us more objectively, that is to say something which is a greater innovation and of more disturbing proportions. I am referring to the absolute prohibition of new planting, a prohibition which Mr Della Briotta's report wisely tempers down and which has been permitted for wine for the first time since the Common Agricultural Policy came into being.

What indication can the Commission have about the effectiveness of this provision on 1 January 1977—that is to say in two or more years—in view of the fact that the productive cycle of vines covers a minimum of three years? With what penalties does it think it can guarantee the practical efficacy of this provision?

With what instruments does it think it can control its application? Finally, on what legal basis, with what Article of the Treaty of Rome does it think it can justify the extensive prohibition imposed on the private citizen to plant even a small vineyard, even destined for purely family consumption?

Commissioner Lardinois, we in no way deny the necessities on which the Commission's document is based, nor do we disagree with some of the more important aims of the document. But, since it deals with permanent problems, we believe that it requires more reflection and a specific effort (the same effort demanded by the rapporteur) to make an attempt to win for these provisions the widest possible basis of responsible consent, not so much within Parliament (this could be achieved this evening in this House) but among those who have to work at this transformation, that is to say the growers. This would prevent the hasty drawing up of this report and its rigidity being in some aspects objectively unacceptable, to the point of invalidating its aims and content.

Commissioner Lardinois has a historical precedent: the Emperor Domitian, who, in 92 AD issued an edict ordering the uprooting of vines and prohibiting replanting, with a less than successful outcome. There are many different ways of making history! This is the best known memory of Domitian, better known still than his solemn titles 'Sarmaticus', 'Dacicus' etc. But Domitian was a tyrant and he could not be

expected to show the sensitivity to realize that it was not simply a question of a few extra million hectolitres of wine of dubious quality, but of work, labour, human beings; that this was not simply the cultivation of a crop, but the symbol of a civilization, the civilization of the vine.

It is for this reason that tonight in this House I am calling for caution in dealing with such a serious problem. And I think that it is in this direction that Mr Della Briotta's report moves, since it is aimed entirely at seeking some new, better thought-out balance. We believe therefore that either here or elsewhere, independently of what this evening's vote may be, some essential points of the document before us must be reviewed, although we agree with the basic requirements on which it is based.

I think that this warning can be expressed on behalf of the Christian-Democratic Group, which has not been able to reach unanimity itself, but which would have reached unanimity I believe if we had been able—as was necessary—to give the proper thought and time for reflection to a subject of such vast importance.

(Applaus)

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

Mr Pintat. — *(F)* Mr President, ladies and gentlemen, the Liberal and Allies Group, too, has been concerned about the problem of wine surpluses accumulating during recent months and for this reason has taken an active part in all the debates relating to this delicate situation.

The serious incidents which took place in France last April, when Italian wine ceased to be able to circulate freely, merely revealed an explosive situation, a crisis in wine-growing, which had been building up for some months. The mechanisms established by the Treaty and by Community regulations no longer served their purpose and had jammed to a standstill. The upshot was that efforts were made to get trade going again on the basis of a new balance.

The wine-growing situation in France proved to be a serious one. Periodical disturbances occurred in the south of the country, a traditionally monocultural region which was particularly severely hit by a crisis affecting the sole product of its agricultural activities. The market had been flooded by an overabundant harvest, and hence the drama.

From the social and even from the political point of view, it was imperative to prevent the situation from deteriorating any further and to stop the discontent from spreading.

Pintat

It has to be recognized that the original regulations organizing the common wine-market—Regulations Nos 816 and 817—were not without their faults, and the difficulties to which they gave rise led to a certain laxity in their application. The result of this again was that some wine-growers failed to make a satisfactory income.

The control of production never succeeded in adapting itself to the capacity of the market. The document laid before us this evening represents a measure of progress, on which we congratulate the Commission in general and Mr Lardinois in particular. The Liberal Group is entirely in favour of the principles on which it is based.

I, too, wish to point out that this document, which became available only a few days ago, has been studied under conditions which were very inconvenient for our committees and in particular for the Committee on Agriculture. Naturally, our warm congratulations are due to Mr Della Briotta on the excellent quality of his work, but he will appreciate that this motion for a resolution appears to us to be in need of improvement in certain respects.

I should therefore like to make a number of observations on technical problems. A system of authorizations for replanting in the table-wines sector is a very good thing: intelligently used, it should be a means of eliminating inferior wines while promoting those whose geographical situation is more advantageous. Nevertheless, the principle of replanting one are for every one-and-a-half ares grubbed up over a period not exceeding the last six years in the wine-growing reorganization areas, while good in itself, must, so it seems to me, be applied with a little caution, since while it will certainly lead to an improvement in the situation, we may, if we are not careful, find ourselves ending up with shifting the vineyards to ground that is less favourable but offers higher yields per unit area—to the detriment of quality.

We must therefore set our minds on limiting output per unit area. The wisest course would appear to be to limit plantings to areas equal to those grubbed—a course more liberal than that proposed in the text but designed to achieve the same goal.

There is no point in prohibiting new plantings in regions producing high-quality wines having a registered designation of origin. So far from having caused the present crisis, these wines should be aided and protected, since they are a source of valuable foreign currency for the European Community by virtue of exports made to all parts of the world, in particular the

United States. Here, in our view, there is a great deal to be done if we want an intelligent and effective commercial campaign to raise exports.

In general, we must combat the overproduction of inferior-quality wines, but the problem should be tackled, not on the technical but on the commercial plane, as I have just pointed out. We must try to find, or to create, outlets in the countries of the Community as well as in third countries.

Naturally, we agree on the principle of regulating plantings, but we must be careful about the new principle introduced into agricultural policy—that of reducing output and limiting aids. On this point I agree with the remarks made by Mr Boano. Imposing too rigid a brake on output might encourage farmers to transfer their activities to other sectors that were even less profitable for the community.

On the new tasks to be entrusted to the Member States we are somewhat sceptical, since these can only delay a solution of the problems. The Community must face its responsibilities. It should undertake the delimiting of wine-growing areas itself and, once compiled, should make its observance obligatory. It should even go so far as providing for premiums for the compulsory uprooting of less profitable vineyards.

The measures taken here for eliminating unsatisfactory varieties of vines appear to me to be inadequate.

We would state emphatically that the quality of a wine must not be identified with its alcoholic content. The limit laid down here has, in my opinion, been arrived at by a method which is too absolute and too crude. Quality could be better achieved by limiting the yield per unit area for wines for direct consumption, as is virtually already done for superior-quality wines.

Furthermore, the withdrawal price proposed—50% of the guide price—is in our view too low. It should not only be higher but be made a function of the wine's quality, as Mr Boano very rightly said a few moments ago.

The chief omission in the text we are discussing consists in the failure to make any provision for trade. Imports into a country must no longer be tolerated at a level lower than the Community withdrawal price for distillation. Trade within the Community must take place at prices which are at least equivalent to the intervention price. Community preference must, of course, be observed and protected.

It goes without saying that unauthorized imports from third countries which are likely to aggra-

Pintat

vate the slump on an already saturated market must be subjected to strict control. Such practices must be denounced and severely dealt with. One article in the document provides that the Community shall be competent as regards the protection and control of wines. In our view, however, the national governments would be the most appropriate bodies for ensuring effective protection.

Moreover, inspection must be carried out during the production stage: this would help to prevent any diluting on the way from vineyard to wine-store, resulting in the sale of wines with a very low alcoholic content. It should be made obligatory to send all non-marketable wines for distillation or for making vinegar, at a price to be determined.

The observations I have just made would appear to be shared by a large number of our colleagues. The numerous amendments that have been tabled and for most of which we shall be voting are a reflection of our observations and reactions. We agree, therefore, with the principle underlying this document: this is what we have been praying for, and we shall vote for it. Nevertheless, the Liberal Group will attempt to introduce some improvements during the course of the debate to follow.

(Applause)

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

Mr Scott-Hopkins. — First, I thank the rapporteur and congratulate him on the work he has done. I know how hard he has worked and what an enormously difficult task it has been for him to produce the report.

I cannot pretend I agree with all the report. In the short time during which I will speak, that will become clear.

However, I think this is an absolute travesty of a debate on something which is important to a great deal of our Community. Looking around the Chamber, I observe that there are a dozen, maybe fifteen, people who are present for the debate. In committee we were assured of the great importance of the debate, of the report and of the changes the Commission is proposing and that it was absolutely essential the House should deal with it. We were assured it had to be dealt with in its entirety and properly discussed. Just look round: it is an absolute farce.

I am no one to apportion blame as to why this has happened, but I wish to say, partly for the record and partly because Commissioner Lardinois is here, that I believe the Commission has

for once slipped up in its timetable. The Commission could have been a little more helpful. This proposal is not something it has just thought up. It has been under discussion for some time. It would have been so much better if the Committee on Agriculture could have received this report earlier than ten days ago. We hardly had time to discuss the matter in committee. We certainly had no time to discuss it amongst our group or consult our interests in our countries and then put down amendments in committee. That is why such a vast number of amendments have been tabled today.

I beg the Commissioner—and I am sure there are reasons for this beyond my knowledge—if at all possible not again to rush the Committee on Agriculture and the House to the extent to which we have already been rushed in this instance. This is an important subject. As Mr Houdet will confirm, it deserved better treatment than it had in committee and it deserves better treatment on the floor of the House. This will affect intimately the lives of many of our constituents—and that unhappily includes mine—in the Community. I believe the Commissioner might have made better arrangements.

On behalf of my group, I welcome the Commission amendments, as indeed I support the report them in the voting later on during the debate on the amendments as indeed I support the report itself.

In my country, as you know, we do not grow very much wine. The chairman of my group is possibly the only member of the group who has any viniculture at all in his constituency. Therefore, we have a minute interest in what is happening. We drink the wine but, other than Mr Kirk, we do not grow it.

In the Community we have a vast amount of wine which is slopping round. Two alternatives face the Council when they deliberate the matter at the Council meeting later on next week. Either there will be a lake of wine slopping round the Community or there will be a lake of agricultural ethanol slopping round in its place.

It may be 9 million hectolitres of agricultural ethanol—perhaps even up to 20 million or 30 million hectolitres of surplus within the Community. I know that in comparison to the amount of surplus wine in the Community this is a small amount. Somebody said that it is the difference between a lake of wine and a puddle of agricultural ethanol. But there are industries in my country and in the Federal Republic of Germany, as Mr Lange knows only too well, which are deeply affected by what happens in this regard.

Scott-Hopkins

I hope that the Commissioner and the Council will take note of the fact that we hope that when, as a result of the subsidies and the compulsory level of distillation which one hopes will now come in, there is this surplus of agricultural ethanol, it will not be allowed to affect adversely those markets in which at the moment industrial ethanol is competitive, although it is double the price. I hope that it will not be allowed completely to wreck that market.

Should there be an export of a vast amount from the two countries concerned—France and Italy—across the Channel, I hope that the Commissioner himself will see that the necessary action is taken to stop that having an adverse effect on the existing market within my country. Otherwise, pressure will have to be put on my government to take the actions which are allowable under the Treaty to prevent such adverse effects. I do not think that a surplus, which should have been corrected earlier, should be allowed to affect adversely an entirely different market in a different product with an entirely different background, in other words, industrial ethanol.

I now turn to the provisions in the draft regulation that we are now discussing, concerning the control of planting and developing. We have heard from our colleagues a great deal about the necessity to see that those people who are hill viniculturists are in no circumstances allowed to be harmed. The further up the hill, the more difficult it is for them to obtain any other income. Therefore, they must be protected against whatever severe and disastrous measures the Commission is proposing to cut back the quantity of wine grown in those areas.

I recall the Commissioner's original proposals about stocktaking, but we must stick all the time, be it in viniculture or agriculture, to the basic idea and principle of the viable unit of production, be it the farm which produces wine or the farm which produces milk. It is on this unit that the level of prices and the level of production should be based. Perhaps we shall need subsidies from the social sector and the regional sector of our finances to keep these people in business, but not from the agricultural sector.

I hope that this will be clearly noted by the Commissioner and by the House. Once the principle is breached in one sector, we shall soon be eliminating the modern, viable farm. I hope that that will not be allowed to happen, and that the exception will not be made in this instance.

There are many other points that I shall not touch on at the moment. Doubtless they will

come up in the discussion of various amendments. I have one final point to make concerning what has just been said about imports from third countries. It is not for me to apportion the blame for the position that has arisen or to point to the imports from the Maghreb and other countries, particularly around the Mediterranean basin, which have undoubtedly aggravated this surplus situation throughout the Community.

I hope that the Commission's proposals will include the most severe restrictions and controls on levels of imports into the Community from third countries, despite the association agreements with Mediterranean countries. I know that we want to help these Maghreb countries to develop, but this is not the way to do it. There are other methods, such as cash payments and other subsidies, and if we are in a position of surplus, as I think we probably shall be, certainly for the 1975-1976 year, we should not encourage imports of this kind. I hope that the Commission will firmly resist any thought of encouraging such imports.

Finally, I hope that the special committee of investigation, which has done such excellent work in respect of olive oil, milk and milk products in ascertaining whether irregularities and fraudulent practices have taken place, will include in its future work not only the beef sector but also the wine sector. I am concerned at the fact that a great deal of money is involved in these regulations because of distillation allowances, transport subsidies, etc., and I want to see that these payments are properly applied and achieve their objectives.

I very much regret that we are holding this debate late at night. I had thought of showing the rest of the Community how badly we were treating this subject by calling for a roll call vote at the end of the debate, but I shall not do it because the result would be to hold us up to contempt, and that would not be in the interests of Parliament. I bitterly regret that we are tackling the problem in this way, when so few Members are present.

I support the Commission's proposals and the majority of the rapporteur's proposals on behalf of my group.

(Applause)

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

Mr Liogier. — *(F)* Mr President, ladies and gentlemen, on 25 November 1974 the Commission submitted a proposal for a regulation amending Regulation No 816/70, on the common organiza-

Liogier

tion of the market in wine, Regulation No 817/70, on quality wines produced in specified regions, Regulation No 865/68, on the common organization of the market in products processed from fruit and vegetables, and Regulation No 950/68, on the Common Customs Tariff.

Your Committee on Agriculture, as the committee responsible, appointed Mr Della Briotta rapporteur on the proposal. Within a very short space of time, Mr Della Briotta produced an altogether remarkable report dealing with all the aspects of this vast problem with a clarity and breadth of vision which greatly facilitated the general discussion. Hearings took place, including that of Mr Lardinois, and the proposal was considered by our committee at its meetings of 23-24 January, 27-28 February and 18-19 March 1975.

At the meeting of 17-18 April 1975, however, the Commission notified the committee of its intention, in view of developments in the situation, to submit amended proposals—an announcement which took us unawares. In effect, the Commission did not submit its new text to the European Parliament until 30 June, when it informed the Parliament that the latter must debate the subject without fail during its part-session of July in Strasbourg. The date fixed for the debate was 8 July, and, as a result, the journalists specializing in agriculture all made arrangements to be here on 8 July in view of the importance of the debate. Now, however, they have had to leave Strasbourg, and once more we find ourselves dealing with a problem of concern to millions of producers in the Community during a night sitting in a very sparsely-filled chamber, for some of our colleagues have also had to leave us this evening as the result of a last-minute change in our agenda.

However that may be, our rapporteur, Mr Della Briotta, with admirable zeal set about the new text as soon as it became available and post-haste drew up a draft report covering the new proposals and what was left of the old. It was an almost impossible task, and so this report, despite the great competence and unlimited goodwill of its author, betrays signs of the feverish haste with which it was prepared.

Precisely the same thing might be said about the discussion of this report by the Committee on Agriculture at its meetings of 1 and 7 July, when it, too, found itself working for dear life. Amendments that were mutually contradictory, which had been drawn up in haste and sometimes left an impression of complete confusion were defended by their authors. Some of them, suppressing various passages in the motion, were voted for, while other passages linked in content with them were retained.

The result is a motion for a resolution which one may well find a little unbalanced. For this neither the rapporteur nor the Committee on Agriculture is to blame: all of them have done virtually everything that could have been expected of them.

Faced with such working methods, which are as absurd as they are abnormal, several of our colleagues proposed in committee that the matter be deferred; in the end, however, the exigencies of the time-table won the day. Deferring the matter would in practice have meant postponing the discussion until after the summer recess—that is to say, until September, which the wine-growers, faced with the need to take urgent measures, would not have taken kindly to, quite apart from the fact that there was the danger that both Commission and Council might make their decisions without having received any opinion from this Parliament.

This was a risk we did not want to take, and so the debate is now taking place. But if the debate is now taking place, it is doing so under the worst possible conditions, and this, incidentally, is the consideration that prompted Mr Houdet, chairman of the Committee on Agriculture, to declare solemnly in committee that we could no longer tolerate being forced to adopt working methods that were as prejudicial to the interests of producers as to those of the Community itself.

However that may be, we are now confronted with a motion for a resolution which, whatever positive features it may have, we cannot accept in view of the conditions under which it was finally drawn up and, further, in view of certain provisions which it contains and to which we could not possibly agree.

I still nurture the hope—although it is a very frail hope—that the amendments we have tabled will receive the support of this House and so enable us—albeit without the slightest enthusiasm—either to vote for the motion or to take refuge in abstention.

If I have correctly understood the explanations offered by Mr Lardinois and his colleagues, the texts now laid before us embody measures which to some extent are experimental and liable to far-reaching modifications, to be made at a later date in the light of the results obtained. However that may be, we are living in the present, a present which is fraught with dangers. In order to avoid the worst, urgent measures have had to be taken, often in the heat of the moment, very costly ones, too, whereas tempers need not have been frayed if people had been prepared to listen to our conjurations at the beginning of the last wine-growing season, when we were

Liogier

urging the compulsory distillation of poor-quality wines. In fact, however, a goodly part of these wines was then bought up by the trade under conditions that made it all too easy to foresee the disaster that was to come. We gave a timely warning of all this in this House, so that there is no need for me to return to this question now.

I realize that the Commission and the Council are only too anxious to avoid a repetition of the horrors that followed upon last year's marketing-season. Do they really think that the measures proposed are capable of putting right the situation that can be foreseen for the 1975-76 season? If they do, I think they are being very optimistic.

I read with interest the Financial Note following the Commission's original proposal—Doc. No 363 of 24 November 1974. It bears eloquent testimony to the Commission's ever-present thought of an exceptional harvest in 1975, but also to its determination to reduce the burden upon the EAGGF, which this year is considered to be far too high.

The Commission offers a theoretical example based on the working hypothesis of an exceptionally abundant harvest leaving on the market, after any necessary replenishment of stocks, a quantity of 16 million hectolitres in excess of internal and external needs (10%).

According to this hypothesis, the rationalization of the market, including storage and aids to rehousing, would cost the EAGGF between 88 and 96 million units of account with the measures which could be taken under the proposed amendments.

Essentially, the difference arises from the fact that under the present regulations there is provision for the distillation of between 8 and 9 million hectolitres, paid for at around the activating price, whereas under the proposed amendments the cost of distillation at the start of the wine-growing year would be based on 50% and that occurring during the season would be based on 70% of the guide-price.

In this way, the Commission's intentions amount to discrimination among the various Community products. It refuses to the wine-growers the advantages it offers to producers of milk or grain—a single market, financial solidarity, Community preference—and is somewhat reluctant to open the door to aids.

Ladies and gentlemen, you are aware as I am of the cost of milk products to the Guarantee Section of the EAGGF. And I mean what they have already cost for some years now. We consider such support to be perfectly normal; but if milk is of concern for many producers, one

can say the same thing for wine, which is an essential factor in the economy and survival of vast regions and of large numbers of farmers in the Community—and not only in its southern regions.

Why, then, these differences of treatment which nothing can justify. Once more we are going to find ourselves confronted with a crop which, on all the evidence, will equal, if it does not surpass, the two preceding ones, which themselves were already superabundant, and stocks will pile up to an extent that has never been experienced. In other words, the quantities to be distilled are much larger than those anticipated by the Commission, and if producers can be asked to accept the sacrifice of distilling a relatively small percentage of the crop at very low rates, the situation will be a very different one if this percentage relates to very much bigger quantities.

It cannot be denied that the very high output which we are now experiencing and which we have known during the past two years is due to current market conditions, but this incidental phenomenon tends to become a structural one to the extent that progress in the campaign against disease almost always results in a minimum crop which itself is already amply sufficient to meet a demand that is tending to fall.

A widespread natural disaster would be required to ensure that in any one particular year consumption exceeded production. But even in this case the surpluses held in stock from previous years would be there to make sure that the market was supplied.

We must therefore not bury our heads in the sand: we are now confronted with a structural phenomenon, and the wine crisis will only go on getting worse if we do not soon take steps to balance output and consumption. Let us be realistic: to produce wine and then destroy it by means of distillation at a time when our alcohol stocks are already full to overflowing can be neither a medium- nor a long-term solution. Cost what it may, output must be braked, and I agree wholeheartedly with the Commission when it says so. But it has to apply an adequate policy, and here I do not agree with it in all points.

We are presented, in the first place, with a proposal for a regulation of the Council and the Commission on measures designed to adjust wine-growing potential to market requirements. These measures are as follows:

Prohibition of new plantings until the end of 1976. We agree, on the assumption that half-measures will deprive this prohibition of much of its effect. We should not forget the fate of

Llogier

small-scale producers, who, notwithstanding the socio-cultural directives and modernization, should be left the possibility of maintaining a minimum area under vines which might be fixed at some 15 hectares.

As regards replanting: obligation to declare and offsetting of areas replanted by the grubbing up of corresponding areas. Agreed. The proposals go on to specify, however, that Member States may take into account grubblings carried out on a holding other than that of the applicant—this without any further details, which leaves open the possibility that the right to replant may be acquired and transferred from one region to another, and this we cannot agree with, since the beneficiaries would certainly be the big vintners or even firms. In our view, the acquisition of such rights should be reserved for small-scale and young viticulturists desirous, with Community or national aid in the form of subsidies or loans, of carrying out structuring or re-structuring measures within their own farms.

Member States are further asked to communicate to the Commission, within a very short space of time, a very considerable number of documents enabling the Commission to undertake the demarcation of wine-growing reorganization areas in which there is a serious imbalance between the production and sale of table-wines.

On this point, we share our rapporteur's view that the criteria are unsatisfactory. In these 'wine-growing reorganization regions', replantings with varieties chosen by the authorities may not exceed two-thirds of the areas grubbed in the preceding six years. This seems to us to be a little Draconian.

Finally, the Commission proposes to classify the land under vines into three categories according to certain criteria and on the basis of data communicated by the Member States which will enable it to draw up suitable proposals. The areas concerned here are presumably those that in France have been subjected to a thorough-going study without, however, producing any definite results, it seems. In any case it will be difficult for the Commission to arrive at such a classification if it is to be of any use.

All in all, and bearing in mind the reservations which I have felt it my duty to make, this regulation should help to re-establish a balance between production and consumption, but only in the medium and long terms.

Why, one may ask, were not other measures envisaged whose effect would be more or less immediate?

On the basis of information provided by the Member States, it should be possible for the

Commission to draw up a map showing the wine-growing areas in the Community. In the regions ill-adapted to wine-growing—regions not indicated as wine-growing areas on the map—grubbing could be effectively encouraged by means of premiums that were relatively high to start with but which progressively diminished and, a few years later, by making grubbing compulsory for those who had failed to take advantage of the premiums.

There are fairly extensive areas, mainly in the plains, where the watering of vines is a current practice, and it is generally in these regions that one finds high yields from mediocre vines.

By forbidding the watering of vines just before the wine-harvest, one would certainly reduce yields; but if at the same time attractive premiums were instituted for the reconversion of vineyards, it would be entirely in their owners' interests—which they would not be slow to grasp—to use their watering facilities for vegetable crops such as spinach, peas or haricot beans, which are very much in demand and whose profitability is now assured by crop contracts. Why, therefore, was no provision made either for forbidding watering or for reconversion premiums in wine-growing areas?

Despite these lacunae, our Italian friends would doubtless have liked a little more flexibility in the provisions of this regulation, but easy solutions are not always the same thing as effective solutions. On no account must exceptions be created which give rise to loopholes.

The French view is a very different one, because it is based on experience. Long before the Common Market came into existence, France had had to deal with the problem of structural wine-surpluses, because she was responsible for marketing not only her own output but also that of other regions, in particular Algeria, which meant that she was obliged to adopt fairly Draconian measures in order to protect the balance between production and consumption. Hence the institution—around 1937, I think it was—of a register of viticultural areas subject to very strict enforcement: it was—and still is—prohibited to plant new vineyards unless a corresponding area had already been grubbed. Every viticulturist guilty of infringing this prohibition was not only heavily fined but obliged to grub one-and-a-half times the area fraudulently planted. On the other hand, every area, whatever the zone, that was grubbed up without subsequent replanting brought with it the entitlement to a large premium payable per hectare.

Storage, which was designed to keep the market steady and assure a continuity of supply, was

Llogier

strongly encouraged, as regards not only buildings but also premiums per hectolitre.

As for distillation, this was also practised on a large scale when surpluses became excessive.

Thanks to these measures, production—if one excepts the last few years—has marked time. In Italy, on the other hand, it has risen rapidly, to such an extent that this country, far behind France in the past, has caught it up and even overtaken it in the production of table-wines.

In Italy, the viticultural register is scarcely complete and there are virtually no restraints upon production. Storage and the distillation of surpluses were virtually unknown until recently, and wine-growers are thrown back upon their own resources and those of the trade for marketing their produce. Since the Agricultural Bank refuses them advances that would enable them to spread their sales, they are obliged to get rid of at least a part of their output as rapidly as possible abroad, at prices far below production costs. Hence the difficulties we had in France as a result of the export to our country within the space of a few months of 3 million hectolitres of Italian wine—incidentally, of good quality—at prices below the withdrawal price, at the very moment when French wine-growers were—quite understandably—indignantly protesting at the spectacular slump in prices which itself was solely due to imports of Italian wine.

Admittedly, there must be competition within the Community and the free movement of goods must be assured; but competition also has its rules, and in the present case these imports of Italian wine can and must be regarded as dumping and such practices are absolutely forbidden within our frontiers by the French government.

In a case such as this, it must be possible to invoke the safeguard-clause. This is the purpose of one of our amendments, and if this is rejected we shall be already largely justified in opposing the whole of the motion.

Incidentally, I cannot believe that Italy has any interest in seeing its wine-growers—and particularly the poorest of them—reduced to selling their good-quality produce for a bagatelle.

As for trade with third countries, particularly those round the Mediterranean and the Maghreb, I am inclined to say that, whatever political importance may attach to economic agreements, the Community's agriculture should not always be made the sole scapegoat. Accordingly, when our rapporteur 'welcomes the Council decisions of 23-24 June of this year on reference prices and import certificates for wines from the Maghreb countries' and 'agrees with the new

version of Article 33a designed to permit a special distillation as a result of the imports from the Maghreb countries', I, for my part, must express the strongest reservations.

Can we be certain that the reference price will be respected? Certainly not, for I at least am acquainted with some regrettable precedents relating to peaches. In these cases I have been able to prove that, despite the assurances given by a certain state in the Mediterranean area, the prices actually applying at the moment of import into the Community were much lower than the reference prices.

With regard to import licences, I know what I think about the berries and other small fruit coming from countries of Eastern Europe, and I have already conveyed my thoughts to Mr Lardinois on this subject.

As regards the special distillation of wines coming from the Maghreb countries, which, as everyone would agree here, would appear inevitable in the present circumstances, I consider it scandalous to import wine—this or any other—which is destined to destruction by this means. It is enough that we have to distill our own wines without going out to look for others to make the scale of distillation even greater!

We may state our agreement with the principle of not making table-wines from table-grapes provided these are reincorporated in the regulations on fruit and vegetables—which, incidentally, are still waiting to be completed—in order to protect the incomes of producers now prevented from assigning these grapes to wine-making.

I thank the rapporteur for expressing his agreement with the idea of having recourse to compulsory preventive distillation. I would add that this should be made general and should apply to a certain percentage of the wine-harvest. Naturally there may be some differences of quality from one cellar to another, but those in responsible positions may be trusted to deliver for distillation nothing but the weakest wines. As to distillation during the season, this may be regarded as inevitable. On the other hand, I regard the prices proposed—respectively 50 and 70% of the guide-price—as being too low.

I also agree with raising the alcoholic content by enrichment with concentrated musts. This can hardly give rise to complaints from our Italian friends, since it is usually they who supply these musts. This method has a number of advantages: it prevents frauds and, in contrast to chaptalization and the use of sugar, especially in aqueous solution, does not increase the volume of output. But I am adamant in opposing the rapporteur's call for a substantial increase in the

Liogier

minimum level of natural alcoholic content. On the contrary, the proposed increase of 0.5° seems to me to be more than enough, and to require 9.5° for the zone C II, for example, is not a good thing. In the region I come from, serious attempts have been made to study the question of adapting vines to the soil as part of a policy for promoting high quality. The result has been an association, in definite proportions, of Sinsault, Grenache and Syrah, giving an excellent wine which, however, in certain years cannot attain the 9.5° required in zone C II. In view of the regulation which is now proposed, the only possible solution for our region therefore consists in a change of zones, from C II to C I, which in fact appears to be necessary.

On the other hand, I willingly agree with our rapporteur in regretting that the Commission has not submitted concrete proposals for standardizing and, indeed, gradually eliminating the tax burdens of various kinds that weigh heavily on Community wine consumption. Wine is not a luxury drink and cannot be included among those responsible for alcoholism; often it is in the wine-producing—and wine-consuming—regions that the incidence of alcoholism is at its lowest. As the saying goes, '*Bonum vinum laetificat cor hominum*': good wine rejoices the heart of man. Of that, of course, we are aware; but it is something that must be publicized both within and without the frontiers of the Community, particularly as we attach importance to the policy of promoting the quality of our table-wines and of quality wines produced in specified regions, of which it has been rightly considered that the minimum alcoholic content should correspond to, and not surpass, that of table-wines.

The Commission would have been well advised to make provisions for effective propaganda measures in favour of wine. We regret this omission, just as we regret that the Commission has done so little to penalize high yields, which are the principal cause of our surpluses.

There is a great deal more that I could say on various other features of the latest proposal for a regulation, but I have already taken up too much of your time, and for this I apologize.

(Applause)

President. — I call Mr Lemoine.

Mr Lemoine. — (F) Mr President, ladies and gentlemen, once more we are debating an important sector of Community agriculture and Community relations. At our last part-session, we debated at length the stock-taking of the common agricultural policy; and the study of this subject and the discussions that took place in professional organizations as well as in this

House revealed the growing difficulties and the very real differences of views and interests that exist in this sphere. Indeed, we cannot but recognize that the grave crisis which all the countries of the Europe of the Nine are going through is raising doubts about European construction, particularly in the sphere of agriculture. The monetary crisis, too, has virtually undone much of what had been achieved in the way of constructing and organizing this Europe. There are virtually no more 'standard prices', a fiction which today can only be artificially maintained.

The free movement of agricultural produce is creating ever greater tension and bringing fresh realities to light. Bitter criticism is multiplying. In a word, grievances are piling up in every one of the countries of agricultural Europe, and in Brussels it is becoming increasingly difficult to cover up the cracks in the European edifice.

It is against this background that we are now debating the organization of the wine-market on the basis of a proposal from the Commission to the Council. The problem is a very important one for France and for Italy, but is not without interest for the other member countries. In the south of France, where wine-growing is the sole source of income for hundreds of thousands of people, indignation is rife and is growing. For the viticulturists and their families, the future is dark. For two years in succession, the wine-harvest has been good—indeed, very good; nevertheless, incomes for 1974 suffered a grave setback and the small-scale viticulturists are up to their ears in debt. Today, the vintners have stocks of nearly 30 million hectolitres. In a few weeks' time, we shall be asking ourselves what we should do with this year's harvest, which is promising to be a large one. Are we not faced with the prospect of a disastrous slump in prices? True, wine is being distilled, several million hectolitres of it, but at the same time imports are continuing, often at prices lower than the intervention price. The quantities to be stocked are threatening to have serious repercussions extending well beyond 1975. Something must therefore be done, and urgently.

In these circumstances, it becomes apparent that the inclusion of wine in the mechanism of the Common Market and its free movement are one of the factors that have made it extremely difficult to find a solution to the problem. These mechanisms of 'economic liberalism' lead to anarchy—to the detriment of French and Italian producers and without any benefit for the consumer; in contrast, the big wine-merchants always stand to gain.

Lemoine

It must also be admitted that the common market in wine has dealt a severe blow to the organization of the French wine-market, which had been built up after long years of struggle by the French viticulturists and which had apparently given satisfaction right until the last few years.

Crops such as cereals are subject to a price system and a market organization which assure the farmers of a minimum income whatever the circumstances; but for wine things are now so disorganized that it has been necessary to waive a number of decisions to allow private stocks to be built up and then sent to distillation. We debated this subject last April.

It was in fact obvious that the existing volume of wine, increased yet further by large-scale imports, would cause grave economic and social problems; and the present situation surely threatens to be further aggravated in the near future when the quantities expected from the Mediterranean and Maghreb countries are imported.

Experience has shown that the concertation practised among professional bodies in the cereal sector might be equally successful in the wine sector, since it is clear that a market such as the wine-market cannot be managed by giving free play to supply and demand in both directions.

The Commission's proposals call for some comment. Though we may well agree with some of their features, we consider them in general as an attempt to patch up already existing regulations in the field rather than as a true solution to the crisis bedevilling the common market in wines and to the difficulties besetting produces. Immediate and effective measures are needed, but they do not figure as much as they might have done.

I should like to start with a question that viticulturists in the Midi are asking themselves: is it possible to work out a true policy for protecting the wine-growing industry under present trade conditions? The first necessity is to assure family undertakings of a minimum income by reorganizing the sale of wine. Naturally, we too champion the policy of promoting quality and limiting yields, and these are undoubtedly real problems which must be studied while bearing in mind the interests of family undertakings. Nevertheless, of the 30 million hectolitres held in stock in the south of France, at least 40 per cent are wines classified as VQRD, VDQS, *appellation d'origine contrôlée*—sufficient indication that quality alone will not get us out of the crisis. To think of nothing but quality, to regard it as the essential factor

in any solution to the wine problem, is to forget the fundamental question of imports—from any country whatever—and the need above all else to protect the wine-market if it is to be organized.

In our view, the present wine régime must be subjected to a far-reaching reform throughout the Community. We propose a system similar to that already created in our own country, comprising provisional liberalization, the staggering of sales, blocking of imports and preventive distillation if the size of the wine-harvest justifies it, the enforcement of regulations concerning control of plantings, vine stocks and vinification, the whole designed to guarantee a minimum price properly related to the production costs of a family vineyard.

This minimum price should be guaranteed by the EAGGF under conditions enabling the wine to be taken over which could not be sold at the minimum price, while storage costs would be covered by the granting of premiums.

The main question today is whether the market can be organized effectively and protected against a competition which is intolerable for the wine-growing industries of our countries. But we are only too well aware that even if such measures were taken—and there is no sign of this in the present proposals—experience shows that after the texts have been approved much water has to pass beneath the bridges before the decisions are applied. It is therefore to be expected that, until rules governing the production and sale of wine and a guaranteed minimum are applied throughout the Community, the national governments will retain the right to subject trade within the Community to the conditions imposed upon wines from third countries, in particular guide-prices. This proposal has been made by the Communist Group in the National Assembly of our country in the guidelines for a Common Left-Wing Programme *vis-à-vis* the European Community.

In conclusion, I would add that the Communists are for the widest possible development of cooperation among states—and not only among those belonging to the Common Market. Present experience demonstrates conclusively that such cooperation can only acquire the necessary momentum if it is based on respect for essential national interests and on mutual advantage. In relations with third countries, these things constitute—or should constitute—the basis of trade agreements.

Within the Common Market, the principle of freedom of movement, if unqualified, may go against fundamental national interests, as we have seen in the matter of wine.

Lemoine

Consequently, whenever the balance of any sector of the agricultural economy is threatened, each state must retain, *de facto* and *de jure*, the power to take the necessary safeguard measures.

Wine-growers are calling for a market organization coordinating supply and demand, and the wine crisis we are debating today shows how indispensable this is.

The prices of agricultural produce must be guaranteed in their entirety within the limits of the volume required to satisfy the consumer's needs. Moreover, since the conditions governing production vary from one part of the Community to another, there must be both Community and national compensatory measures to correct the uneven impact of the price-system on producers and on the various branches of production and so guarantee a minimum income.

In a word, we have to safeguard the national interests of each within the framework of an international cooperation that is genuine and well founded. Perhaps one day this will be achieved by an agricultural common market—and not merely an agricultural one—based on democratic structures and principles.

That is what we are fighting for.

It is because these far-reaching aims do not figure in the proposals submitted to us and because we have no wish to reduce family viticulture to poverty and bankruptcy that we find ourselves unable to agree to the Commission's proposals and shall vote against them.

IN THE CHAIR: Mr MARTENS*Vice-President*

President. — I call Mr Leenhardt.

Mr Leenhardt. — (*F*) Mr President, I want to make a few brief comments in my personal capacity. The Council of Ministers and the Commission seem to have drawn some useful conclusions from the crisis in April when 50 000 wine-growers, in despair over the slump in wines and the fall in their purchasing-power, came onto the streets to demonstrate against uncontrolled imports.

On the whole the Commission's proposals should achieve the main objects, which are to eliminate poor-quality wines and discourage high yields. They might bring about a marked improvement in the situation if our Parliament would forbear from reducing their scope too much.

The Committee on Agriculture has had, as we have heard, a very difficult job, and the rapporteur, Mr Della Briotta, deserves our commendation because he has been at the centre of a whirlpool of conflicting interests. It is very admirable that he should have been able, on a number of points, to report views which he does not personally share, as he explained just now.

On a great many points the motion for a resolution submitted to us endorses the amendments proposed by the Commission.

In two paragraphs only I think it diminishes their scope. The first is paragraph 5, on the limitation of new planting. If the regulations are to be adapted according to the different regions, as Mr Della Briotta's report proposes, we shall fall back into the bad old ways.

This is true, too, of paragraph 23, which refers to distillation.

I was glad to see from paragraph 19 that the original doubts expressed by the Committee on Agriculture on making distillation compulsory have disappeared and that it clearly endorses the idea of resorting to compulsory preventive distillation.

However, the view expressed in paragraph 23 is very unfortunate, because it states that these measures on distillation could be usefully applied only in the case of 'flawed wines', which would have the effect of preserving the high yields which are responsible for poor-quality wines and market imbalances.

I have therefore tabled amendments to paragraphs 5 and 23 for the purpose of deleting them.

In paragraph 12, the resolution endorses the principle that wine should not be made from table-grapes, while stressing that such grapes mixes with grapes of the traditional wine-producing types produce a table-wine with a natural alcohol content far higher than that obtained in other areas of the Community with wines which are approved.

This prohibition would have very serious consequences in certain areas where late harvests, spoilt by bad weather, cannot be marketed. The chance of being used to make wine provides a safety-net for at least one-third of the table-grapes harvested. If this practice were prohibited, thousands of small and medium producers would be ruined and a great many cooperatives would go bankrupt. As a last resort, these producers of table-grapes would be forced to reconvert their vineyards to vat-grapes if they could afford to do so. This would have the effect of tripling the amount of wine produced by partial vinification.

Leenhardt

This is why I shall move an amendment to delete paragraph 12. If it is not adopted, I should like to point out to Mr Lardinois that an addition should be made to the Commission's amendment to Article 24 of the proposed regulation.

Paragraph 4a proposed by the Commission provides that, subject to appropriate controls, Member States may authorize these table-grapes to be made into wine to produce wine intended for consumption in the family of the producer and to produce products not falling within heading 22.05 of the Common Customs Tariff.

It is very important that producers should be allowed to use these grapes to make sparkling wines, the type of grape used being stated, and also in the production of new types of drinks.

In paragraph 16 of Mr Della Briotta's motion, it is stressed that prices to producers should in future be fixed at remunerative levels. Above all, they should be commensurate with the sacrifices which wine-growers have accepted for the sake of reorganizing the market. The prices fixed do not by any means take into account the costs of cultivation, deterioration of vineyards and wine-making plant, or monetary depreciation. And wine-growers' purchasing-power is by no means equal to that of other socio-professional groups. Wine-growers have a right to make a living, but can no longer do so, weighed down as they are by rising production costs and their burden of debts. In many regions, prices have dropped to the level they stood at in 1972. Mr Lagorce, who has not been able to stay here tonight, has left me two bills of sale from a wine-grower in his area for 1972 and 1975, for the same grade of wine: the prices are the same on the two bills.

Wine-growers find it hard to understand why the Common Market provides substantial guarantees only for certain categories of produce—such as cereals—and why they should be poor relations.

In conclusion, I would stress that the readiness of the professional organizations to accept the constraints which the new provisions will impose on them is truly admirable.

But one thought is uppermost: will the decisions, once taken, be complied with? It is regrettable that fiscal law and the different repressive laws and systems of control and fraud prevention found in the Member States do not exist at Community level. The national mechanisms for control and fraud prevention need to be effectively coordinated. Mr Della Briotta's report rightly emphasizes this problem of controls in paragraph 31, urging that it be solved 'uni-

formly'. I hope Mr Della Briotta's reference just now to the urgent need for a Community system of fraud prevention will not go unheeded.

President. — I call Mr Cipolla.

Mr Cipolla. — (1) Mr President, ladies and gentlemen, I feel that this debate can satisfy no one among those present nor those who will learn of these proceedings.

The truth is—and it will be too late when our colleagues of the Committee on Agriculture come to see it—that for some time now this Parliament's opinion has been held in low esteem; nor does it count for much at the Community institutional level: for the Council of Ministers it is obligatory but not binding. I should nevertheless like to remind you now how this opinion was delivered in connection with the wine-sector regulation and it is with genuine emotion that I recall our colleague and comrade Vals for the manner, both democratic and worthy of a socialist in which he conducted that debate. Before it took place in this House, he wished to see the discussion conducted among the growers; and he took the whole committee to talk to the growers in Germany, in the Rhine Valley, to those in the South of France, to those in Apulia, Sicily, Venetia, and so on. We then discussed the regulation article by article and the document which emerged from these debates—and which is being criticized in some quarters today—went straight from this House before the Council and was adopted practically in the exact version drawn up by us.

Now, watching this empty Chamber, I cannot help concluding that this Parliament, instead of going forward along the road of representing the interests of the peoples (the only source of legitimacy open to a parliament), has retrogressed, restricting its functions to adding a gloss to fanciful technocratic concoctions that are generated by attitudes irrelevant to the interests directly at stake and having little in common with the realities of agricultural life.

When I observe my distinguished colleagues—our beloved chairman, the industrious Mr Scott-Hopkins, our excellent rapporteur, Mr Della Briotta—labouring so energetically to submit the reports on time, I am reminded, if you will forgive the comparison, of the plot of a delightful English film, full of that peculiarly British sense of humour with a little of which we could do. All these good people seem to me like the hero of 'The Bridge on the River Kwai', an officer who manages to retain all his military efficiency but fails to apply it to accomplish what needs doing.

Cipolla

Which is why, in contrast, I feel that acknowledgement is due of the dignity with which the Committee on Budgets stated in its report: these are not conditions in which a parliament can conduct a debate.

At its meeting of 21 April 1975 the Council of Ministers gave a mandate to the Commission (we shall see when we come to discuss the Boano amendment whether the Commission fulfilled that mandate) and at the same time laid down that the Council itself would be taking a decision on 21 or 22 July.

Parliament was put by the Commission in a position where, with a lot of goodwill, it was able to begin its discussions only at the end of June. Thus, of the three months which were available, two were taken up with the technical drafting, ten days remained for Parliament and the last ten days were left for examination of the proposals by the Council. Well, that is no kind of discussion! When our colleague Mr Houdet worries that Parliament should somehow or other produce an opinion, I say that we should also be worrying whether this will be an effective opinion. And this is why, quite apart from the matter in hand, I wish to make this first point about the dignity of this Parliament and the protection of that dignity.

The second point I want to raise concerns the wine-growers: it matters little whether they are Italian or French. The regulation that was in force until now proved inadequate—actually, at the time it was debated I voted against it. The fact is that it did not give to the wine-growers the same guarantees as to the other producers. This is why I was glad to hear it being said, à propos of the crisis in viticulture, that it was unfair that there should be lower guarantees for viticulture than for other kinds of production.

We thus now have to act to amend a regulation which has proved inadequate before there are new disturbances in the countryside. But are the proposals before us likely to alleviate the reasons for the unrest among the growers? Or is there not a danger that they will aggravate the crisis into which viticulture is running? My colleague Mr Boano in his excellent speech referred to Domitian's edict: I think he could equally well have mentioned incidents which occurred in later centuries, when, for example, the Arab armies invaded the Mediterranean countries and proposed to root out the plant used for making a drink forbidden by their religion. In this they did not succeed, although armed might was on their side. Nor will a ban succeed in resolving any of the problems that will arise in the next few months: because, for all that it will be published in the Official

Journal, it will have no effect for the two million wine-growers. Nor will it succeed in blocking production on two million small farms, not even if a whole army were to be mobilized—not just of Community officials, but of foreign soldiery!

Why is it urgent that we should adopt these measures proposed by the rapporteur, measures opposed even within his own political group? If we look at the root of the problem we are bound to see that the wine-growers must be given an answer soon. It is no answer to tell them that they will be able to sell their wine only three years hence because then the output will be restricted. So what can we offer to them? The schedule according to which credits for EAGGF intervention in the wine sector are to be reduced under this new regulation by 50%? What does all this mean in market terms?

When this appropriation and when the amount of distillation both reach the 50% mark, perhaps the market price of wine will rise, if other, more effective, more useful measures, such as we have already indicated and shall explain in submitting our amendment are not introduced. In that case we shall be faced in the countryside with a doubled anger: the anger of people who feel they have been cheated, of people who realize that on the pretext of the wine-growers' resentment something contrary to their interests is being brought about.

Let me explain the third political consideration. Our aim here is not to defend a national interest but the European interest; and, as other colleagues have remarked, Europe cannot and must not be such as it emerges from the Community agricultural policy so dear to Commissioner Lardinois. The anger in the South of France stems from the fact that farmers there see those of their colleagues who instead of planting vines cultivate grain or raise cattle enjoying a kind of protection which is denied to them. It is not a question of the wine regulation, but of reforming the Community's agricultural policy in a European spirit. Let me tell you, Mr Commissioner, that as long as Community agricultural policy is concerned with the two countries and the two measures, as long as you, Mr Lardinois, go on telling us how much could be saved on olive oil and on the wine regulation, but are slow to present—as you are at this moment—a figure for the change in the budget which, I believe, is about 800 million units of account for surpluses of powdered milk, butter etc., then it is very obvious that we have not got a Community Europe.

I have been reading the reports of a recent Socialist Congress in France and there is no doubt that there has been a weakening, a

Cipolla

disintegration of this Europe which is neither a Europe of the workers nor of the farmers; and the more the powers of this Parliament—which represents the only mediating force between the peoples and Community policies—diminish, the stronger grow the bureaucratic powers of a Commission (I am not talking of personalities but of the Institution) devoid of any control and any real democratic contact with the masses. As long as this state of affairs continues Europe will be regressing, be there hundreds of reports on Political Union, hundreds of proposals for elections to the Parliament by universal suffrage, hundreds of proposals on budgetary powers.

It is obvious enough, at all events: tonight we should have been debating the budgetary powers and instead we are having a debate which even those who were in favour describe as hustled and inadequate. This is why I am convinced that whatever solution may be found tonight in this empty House it will not be a solution in the interests either of the wine-growers or of Europe or of this Parliament.

It is for this reason that we expressed reservations about the debate: not because we feared discussion on certain issues, but because we want this debate to be followed by, and be relevant to, those fundamental masses for whom Europe is to be or not to be.

(Applause from Communist and Allied Members)

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission. — *(NL)* Mr President, I would like to start by joining in the congratulations addressed by virtually all the Members of this Parliament and by all the group spokesmen to Mr Della Briotta, the rapporteur. I am fully aware of the fact that I presented the chairman of the Committee on Agriculture and the rapporteur with a practically impossible task. This is more than a polite phrase. I am aware that the situation which the Commission has created in respect of the wine proposal is a matter which the Commission, or rather the member of the Commission responsible, could not allow to happen more than once, at least for such an important matter. When I submitted this proposal, I said in the Committee on Agriculture that the Commission itself was in an almost impossible situation. We had promised the Council to submit proposals in good time so that a decision could be taken before the end of July. My colleagues, however, demanded that decisions on the wine proposals should only be taken in the Commission after the import arrangements for third countries and especially

for the Mediterranean countries had become known. However, the Council took more than two months over this, and almost all the meetings of the Council of Ministers of Agriculture between the end of April and the end of June were devoted to this matter.

You will realize that we cannot submit proposals of this importance without an import arrangement to go with them.

I can only say, Mr President, that I especially regret that the Parliament has obviously become the victim of this situation. The Commission accepts its part of the responsibility for this and thanks the Parliament for having been prepared, despite the handicap, to consider this proposal. It also thanks the rapporteur for the enormous effort which he has put in.

I hope that Parliament will accept my promise that we shall not follow such a course on important questions in the future.

The rapporteur has made a number of fundamental observations on the wine arrangements. Before dealing with the matter itself, I would like to join in the tribute paid by Mr Della Briotta to the memory of Mr Vals, former chairman of the Socialist Group, who was taken from our midst over a year ago, and to whom I paid tribute at that time in this Parliament on behalf of the Commission.

I also had the honour, as a Member of this Parliament, to take part with Mr Vals in the initial preparations for legislation on the wine sector in 1964. Studies went on for many years before the first wine regulation was ready in 1970.

We must not reproach ourselves too much for the fact that we, the Parliament, the Commission and the Council, did not succeed in the sixties in immediately finding the right answer for this extremely difficult product in the 1970 compromises.

I believe that we must recognize that, given the rate at which market regulations applicable to the six European countries were made at the time, and the fact that they are now applicable to the three other European countries, we naturally made mistakes and compromises which we now have to remedy.

I hope that no-one in this House will take offence if I take a lighthearted look at the matter. Mr Boano, as spokesman of the Christian-Democratic Group, said at one point that the proposal to ban the planting of wine corresponds to a measure taken by the Romans in 90 AD.

Lardinols

I would like to say, with respect to those who might take offence, that I am not living in the year 90 AD, but in anno Sicco 3. In this year 3 after Sicco Mansholt, we are having to adjust rather rapidly some parts of the agricultural policy. We are busy doing this at the moment. Even though our work is not always revolutionary and radical, I can tell you that we are adjusting the agricultural policy step by step, especially in respect of the compromise reached at the end of the sixties, where we certainly overstepped the mark.

It has been said that something is being done here in the wine sector which is not being done in the milk, wheat and sugar sectors. My answer to this is, if it is not being done, Parliament can expect it to be done very soon. I do not know whether this House is aware of the fact that the Council of Ministers is to adopt a resolution next week in which the Council—it is not binding for the Parliament—will undertake that next year, wheat farmers producing second-grade wheat which is not suitable for making bread will not be entitled to a cent more than what is paid for fodder.

I do not know whether the Council is completely aware of other proposals which we still have to make and on which Parliament has expressed its view in principle, namely those on the milk sector. This will certainly not be easy. I would like to appeal to this Parliament not to say that as it has not yet been decided to tackle the surpluses in other sectors, we should refrain from taking decisions for products on which practical proposals have now been tabled. If we do not conduct a balanced policy, it would be better for us not to conduct a policy at all. I am convinced that, in the event of estimated surpluses, the Parliament, the Commission and the Council will do everything they can to remedy the matter. If we do not do this in all sectors, it will be detrimental to the Common Agricultural Policy and ultimately to the farmers and smallholders, whether they live in Sicily or Scotland.

I have the feeling that Parliament will support the Commission in this. The Parliament takes up a much more positive attitude than the Council, which has never wished to take any measure at all and is unusually apprehensive on this point. Today I consulted for three hours with the European farmers' organizations in COPA. I very often have the feeling that for measures which are very unpopular in agriculture I can count on the support of Parliament and even of COPA rather than the Council. I have to admit this, despite the fact that I myself sat for six years on the Council, which—to be quite honest—is the most nationalistic body of the Community Institutions.

I come now to the Della Briotta report. After these serious words, I would like to go into each point of his resolution.

He has challenged me to do this and consideration of the report will therefore take up some time. This was not an express request to the Commission but I believe that he has a right to this after what he has had to endure from us here today.

Mr President, I am completely in agreement with paragraphs 1, 3 and 4 of the motion for a resolution. On paragraph 2, I would like to point out that we already draw up a statement each year. It is extremely difficult to make estimates for many years in advance, since this sector is greatly affected by weather conditions. This remark is also addressed particularly to the Committee on Budgets' rapporteur.

I am convinced that if I myself or other experts from the Commission and the Directorate-General for Agriculture and not only the Directorate-General for Budgets had been able to be present, the difficulty now facing the Committee on Budgets would not have arisen. I would like to emphasize the fact that we in the agricultural sector can only base our figures on hypotheses. No-one can predict how large the harvest will be in a month or in three months (the grape harvest) and certainly not how large the harvest will be in a year's time. The Committee on Budgets said that agriculture has a budget of 4 000 m u.a., stating how it is divided and how large the amounts are. On the other hand, they said, there was Parliament's obligation to guarantee a fixed price. I must say that this is only possible if we base our figures on hypotheses.

Things would be different if we simply allocated certain amounts for certain products. In such a case, we could stay within a certain budget, but there would be no guarantee. If we give a guarantee, we can only work on the basis of hypotheses, since products such as wine, milk, wheat and sugar are exceptionally dependent on the weather. It is still nature which determines whether one year yields 25% more and the next year 25% less. For the time being, it would seem that this is the way things will remain. For these reasons the budget for agriculture can only be in hypothetical form or, to put it in other words, be in the form of estimates.

As far as paragraph 5 is concerned, I would go some of the way with what Mr Della Briotta proposes, but I would ask him to follow the Commission proposals for a period of one and a half years, after which I would gladly follow him. In principle, I also agree with paragraph 6. However, we take into account other factors as well as expansion of production.

Lardinols

My answer on paragraph 7 must be 'no' since such control is not feasible. I agree with paragraph 8 and also in principle with paragraph 9. I can also agree on paragraph 10, except for our own exceptive proposal. Paragraph 11 refers to the same matter. I can again agree with that. Paragraph 12 corresponds to the Commission proposal.

Although a number of elements in paragraphs 13, 14 and 15 seem acceptable, I must say that these require further study on our part. I would gladly consider how far we can go before the Council decision is taken on this question.

I also agree with paragraphs 16, 17 and 19. The requirements of paragraph 18 are provided for at the beginning of the marketing year.

I also agree with paragraph 20, although with some reservation about the last part referring to transport. I also agree with paragraph 21, but must say that we have had exceptionally great difficulties with one Member State on this point. I hope that the situation will soon change.

I agree with paragraphs 22, 23, 24, 25 and 26 of the motion for a resolution. I must, however, say on paragraph 23 that the rapporteur has certainly not gone far enough. Here we must go somewhat further if we are in fact to bring the matter under control.

I agree with paragraphs 27 and 28. I would like to say on paragraph 29, referring amongst others to Mr Liogier's speech, that we cannot take things lightly. I welcome the trend which the rapporteur indicates. I agree with paragraphs 30 and 31. I shall return to this last paragraph later.

Mr President, I now come to Chapter IV. Paragraph 32, I find, goes somewhat too far, but this new wine proposal may well offer extra opportunities for export. I would not like to elaborate on that idea now, but if we have to take certain wines off the market by means of all kinds of regulations which we have referred to here, it may well be that the export prospects are indirectly increased. I agree with this paragraph.

I agree with paragraphs 33, 34, 35, 36 and 37. On paragraph 37, I would like to mention that this idea was accepted in principle in the Council at the end of June. It is now being worked out in implementation regulations.

I agree with paragraph 38 and with paragraphs 40 to 43. I also agree with paragraph 39. This was also one of the elements of the Council's decision at the end of July. I agree with paragraph 44. I believe that I can say, in general, that the resolution as tabled by the rapporteur

contains recommendations which would, in my opinion, be an improvement. On certain other paragraphs I believe, however, that he has been somewhat reticent in order to achieve speedy results. Nevertheless, I hope that Parliament will be able to agree with the rapporteur's general approach.

I also believe that a large majority of the amendments do not contribute to solving the problems facing us as quickly and as well as possible.

I would now like to go into a number of other points which have been raised by the rapporteur and other speakers.

In November 1974, we made proposals aimed at limiting fraud. These proposals are incorporated in a number of paragraphs on which a decision has to be taken this evening.

I have already answered the observations by Mr Lange. At all events, I am happy that the Committee on Budgets only criticized our proposals for their presentation and not their substance.

Should the Committee on Budget have difficulties in the future, then I hope it will not hesitate directly to address the Commissioner responsible.

At the same time the budgetary problems are no less important than the related problems of agricultural policy.

The Common Agricultural Policy would rarely be in trouble if we were not in a position to keep the budget within acceptable and reasonable bounds.

I believe that, with regard to time, the Committee on Budgets deserves the greatest priority and that it must also receive this priority if it requests it.

Mr President, I was pleased to hear Mr Hansen's view. I welcome the opinion on the Commission's proposals which he put forward on behalf of the Socialist Group.

I am glad that he stated that we are not here to pursue national policies. I was also pleased at the way in which he supported these proposals, although he was critical of the Commission with regard to certain parts of them.

I will gladly consider what he said here today on the special position of winegrowers in hilly and mountainous areas.

My introduction provided an answer to Mr Boano. I understand his criticism of our proposals. I would simply like to tell him on what basis we are making these proposals. For legal

Lardiniis

purposes, we are basing these proposals on Article 43 of the Treaty. This article offers almost unrestricted opportunities for the Common Agricultural Policy.

I understand the criticism expressed by Mr Boano in view of his difficult position, and I therefore appreciate all the more what he said in favour of the proposals.

I would like to promise Mr Pintat that we shall naturally tackle the business of reasonable marketing opportunities in third countries. This must, however, take the form of normal, reasonable export. I am convinced that we should be able to organize the wine sector in the future as we have organized the sector of sugar—basically a northern product—without incurring charges for the tax-payer.

What we have done in the sugar sector can and must be done in the wine sector too.

Is the price of wine too low? I admit that we have gone a long way in this proposal. The price is certainly not too low for wine of poor quality which we can all do without.

For other wines which cannot be called poor, for whatever reason, it would perhaps be desirable to consider going somewhat further than 50%. I would like to hear the rapporteur's views on this.

Some Members of this House have claimed that it is mainly imports from third countries which are creating tension in our wine market at the present time. However, this is not true. Imports have nothing to do with it.

Mr President, is this Parliament aware that, since 15 December, when the new price became operative, until now, i.e. over a period of eight months, total imports to the nine Member States have been less than one million hectolitres of wine?

In other words, imports are of the order of something more than half a percent. Our reference price system is really working well.

To say that imports are causing the difficulties is nonsense, unless import is taken as meaning something else. Trade between one country of the Community and another country of the Community is not import. Just as sugar imported to Italy from France is not marked down as an import by us, so is Italian wine transported to France also not an import. And it is no use coming to me with stories that Italian wine is priced far below the French distillation price. I am well aware of that. We do not have a guarantee price at distillation level. Distillation is not obligatory in the Community; it is one possibility.

Perhaps this proposal will bring obligatory distillation but then at a lower level. If that happens with the importation from one Community country to another below the obligatory distillation level, that is below 50% of the guide price, we shall have a point, but at the present time what we have is voluntary distillation; this is possible, and is operated on a large scale. It is not at all obligatory in Italy, and France has no cause for complaint. Such an idea is nonsense. I hope that the Members of the European Parliament will also forcefully oppose any such theory.

Let us not speak about imports into one country or another, like Mr Lemoine, since this would mean rejecting the idea of the Community. I am of the opinion that this is not what I am employed for. At all events I will not go along with it.

I am pleased that Mr Scott-Hopkins has managed to overcome his objections and that he, despite some protest, is able to accept this concentrated consideration of the report. I am grateful to him for that. He is broadly in agreement with the Commission's proposals. He says that the alcohol market should not be undermined by the wine market. He asks for rapid consideration and for other proposals in the near future. I have already given him clear affirmative replies on these points in the Committee on Agriculture. I shall stand by these replies.

Mr Liogier asks for a ban on irrigation and above all sprinkling, after a certain period. All right, but who is to make sure that this ban is carried out? We are dealing with 2 1/2 million hectares distributed over the larger part of the Community. It is possible to sprinkle all day and night. I imagine one could find out the location of sprinkler installations. But unfortunately one would not be able to check they were being used after a certain date. I am however thankful to him for the goodwill and encouragement underlying what he said.

Generally speaking, we must say that the Community has to recognize its limitations when it comes to exercising supervision and working out the technical implementation of a number of proposals. If I had to do what this Parliament has requested today in the way of supervision and work I could need 50 thousand officials for wine alone. The Commission has only 500 officials for the agriculture sector, but some of our Heads of State still believe that this is too many. Let the hundreds of thousands of officials in the countries of the Community responsible for alcohol, wine, beer, etc., continue with their work and arrange to supervise everything in the wine areas. There could be improvements of course here and there but at Community level we cannot take over such work. We shall not

Lardinois

fail to take initiatives or provide instruction whenever we can.

I am grateful to Mr Leenhardt for standing by the main points of our proposal. I have already dealt with the separate points including those that he referred to.

As usual Mr Cipolla has taken up the north-south tack. I do not believe that this is the right way to seek a solution to our problem. I believe that we can find a solution for our problems in the direction indicated in the resolution and by adopting the approach of the rapporteur. I recommend this House to accept this motion for a resolution which he has presented with much personal courage on his part.

(Applause)

President. — I call Mr Della Briotta.

Mr Della Briotta, rapporteur. — *(I)* Mr President, the lateness of the hour prompts me to omit the customary reply to previous speakers. I think, in any case, that within the extremely restricted time accorded to me I had been able to deal sufficiently thoroughly with the problems which are familiar to us all and which not even the dialectic skills of which—perhaps for the benefit of the gallery, for of our colleagues' integrity and personal ability I am persuaded—much use has been made tonight, can do anything to change. At all events, I trust that Commissioner Lardinois will keep to the undertaking which he gave tonight. He said he accepted almost totally the report which I had the honour to present on behalf of the Committee on Agriculture. There is only one point on which I should like to ask him for further details. I refer to paragraph 20 of the resolution where the Committee on Agriculture states its opinion that if the remedial operations are to make sense, the withdrawal price must be fixed at a level higher than 50% and that, by analogy with the provisions for other sectors, such as powdered milk, the possibility of instituting aids for transport from the wine growers' cellars to the distillation plant should be considered. I should therefore be grateful to Commissioner Lardinois if he would tell me again what exactly he is promising since I have not understood the meaning of the Commission's statement on this point.

President. — I call Mr Lange.

Mr Lange. — *(D)* Estimates, Mr President, are one thing, hypotheses another. They can be presented this way and that. You should not proceed from the idea that in the agricultural policy and in agriculture it is not possible to

fix certain things from the outset. We are aware of this, too. But if you present your proposals and financial review as you have done, it is completely impossible. From the outset I have said that it must be possible to check the review. It cannot be as extreme as you have presented it. I would ask you to take this seriously and not refer to the first remark you made to me and the Committee on Budgets.

Secondly, all I can say is that the offer is gratefully accepted. It does presuppose, however, that the first condition is fulfilled, so that any differences of opinion can be removed without leaving doubt in anyone's mind. Moreover, it goes without saying that the Commission will be available to the committees. That is all I wanted to add.

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission. — *(NL)* Mr President, a very real question has been put on paragraph 20 of the resolution. If Parliament adopts this motion for a resolution I shall certainly try to convince my colleagues that it is necessary to propose to the Council a price rather higher than 50%, certainly for wines of a somewhat better quality.

I cannot make any promises on this at the moment. I should like to study the consequences of the rapporteur's question. I shall then let him know at a later date what the considerations were for accepting or not accepting this proposal.

Naturally the Commission is at the disposal of the Parliament but Mr Lange realizes that the Commission, and in particular the Members of the Commission, also have to fix priorities if only to avoid conflicts between different committees of this Parliament meeting at the same time.

I have said that if there are problems the highest priority should be given to the Committee on Budgets. This was not meant as a challenge to the Members of this House but rather as a wish to conclude a new friendship following a matter which, in my opinion, is based on a misunderstanding.

President. — The general debate is closed.

We shall now consider the motion for a resolution.

To speed up the proceedings, I propose that we follow the same procedure as used this morning for the vote on the motion for a resolution in the Bertrand report, namely that speakers on

President

amendments should not speak for more than 3 minutes.

On the whole of the motion for a resolution I have two amendments:

- Amendment No. 1/rev. tabled by Mr Boano, Mr Girardin, Mr Ligios, Mr Pisoni, Mr Rosati, Mr Noè, Mr Vernaschi, Mr Giraud, Mr Brugger, Mr Vetrone, Mr Andreotti, Mr Antoniozzi, Mr Covelli, Mr De Sanctis, Mr Romualdi and Mr Premoli, and worded as follows:

"Replace the motion for a resolution by the following text:

'The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council of 25 June 1975 (COM (75) 317 final) on measures to adapt wine potential to market requirements,
- considering that the provisions contained in this document are highly innovatory by comparison with those initially proposed on 25 November 1974 (Doc. 363/74) and consequently require a balanced and thorough assessment,
- considering moreover that the substance of this proposal covers a much wider area than the guidelines contained in the Council Resolution of 21 April 1975 (OJ No C 90 of 23. 4. 1975)

Invites the Commission to reformulate its proposals, adhering more closely to the resolution mentioned above.'

- Amendment No 24 tabled by Mr Cipolla, Mr Vetrone, Mrs Iotti, Mr Fabbrini, Mr Marras, Mr Concas, Mr Bersani, Mr Ligios, Mr Boano, Mr Andreotti, Mr Rosati, Mr Brugger, Mr Cifarelli and Mr Pisoni and worded as follows:

Replace the text of the motion for a resolution with the following text:

- considering that the measures proposed by the Commission represent such profound changes not only in the regulation concerning the wine-growing sector but in the very principles on which the Community's agricultural policy has so far been based as regards curbs on production and the producer's responsibility in surplus sectors,
- considering that the absolute prohibition on planting new vineyards is in contradiction with both the application of the Community's structural directives and the need to increase production of those qualities of wine for which Community and international demand today exceeds production, while it does not solve the problem of removing from production vines producing wine of little commercial value,
- considering the need to make a thorough study of the whole matter and the desirability for Parliament to engage in a democratic consultation similar to that carried out when the regulation on the wine-growing sector was adopted

Requests the Council of Ministers

- (a) to adopt urgent measures to improve domestic consumption and to promote wine exports to countries outside the Community, to improve the system for facilitating distillation and the campaign against adulteration, to increase the minimum alcoholic content and to prevent the addition of solid sugars and, even more important, that of liquid sugars to table wines, to develop the system of cooperative wine-growers' associations and of their federations in the phases of production, maturing, marketing and distillation
- (b) to include the problems of regulating production and of the producer's responsibility within the framework of general measures to be decided on when the 'Stocktaking of the common agricultural policy' is discussed, with a view of tackling in a uniform manner the problem of surplus production so as to give all Community producers, with technically differentiated means, similar income guarantees
- (c) to submit within three months proposals for harmonizing at Community level taxation criteria in respect of wines and all other alcoholic beverages.'

I call Mr Boano to move Amendment No 1/rev.

Mr Boano. — (1) Mr President, the amendment consists virtually of the two recitals. The first refers to what I have already emphasized in my speech, that is the fact that the new Commission proposals are profoundly innovatory compared with the earlier ones and therefore require detailed study and a balanced assessment. The second recital is of greater importance because it shows that the Commission, in the proposal submitted for our examination, has gone, in our view, beyond the terms of reference assigned to it by the Council in its decision of 21 April last. For the decision refers only, particularly as regards the unconditional prohibition on new planting, to serious surpluses on the table-wine market and hence to new guidelines calculated to check the growth of output of such wines. It is concerned, therefore, solely with controlling the development and production of table wines; there is no question of an absolute restriction. The same principle seems to be reasserted later in connection with provisions for the control of new planting and replanting; there, reference is only made to control and not to an absolute prohibition on replanting.

Finally, two sub-paragraphs summarize what would appear to be the main principles laid down by the Council for the Commission, i.e. a restrictive attitude in regard of national aids and the adaptation of the objectives laid down in Directive No 159 to the demands which have been put forward in this House.

For all these reasons it seems to me that the Council's instructions to the Commission expli-

Boano

citly excluded the kind of radical prohibition which we now find at the root of the Commission's new proposals and that a much less severe rule was laid down. In fact it is with respect to these two guidelines that the Council's resolution requires a review at 1 January 1977. The Commission takes up this time-limit of 1 January 1977, but refers it not to those two guidelines but to the assessment of the efficiency or otherwise of the absolute prohibition on planting. Our proposed amendment was therefore prompted by the discovery that the Commission, in drawing up its proposal, especially in respect of the absolute prohibition on planting, has gone considerably beyond the guidelines indicated in the Council's resolution of 21 April last.

President. — I call Mr Cipolla.

Mr Cipolla. — (I) I rise to say very briefly, both on my own and my group's behalf, that the reason why we have withdrawn our support from this amendment is not concerned with the text itself but with the fact that, owing to a misunderstanding, the amendment bears the signatures of representatives of political tendencies with which we do not wish to be associated.

On the other hand, we wish to confirm that we shall be voting in favour of Mr Boano's amendment because we believe that it does represent an accurate interpretation of the Council's document mandating the Commission to propose the regulation we are now discussing.

President. — I call Mr Della Briotta.

Mr Della Briotta, rapporteur. — (I) I should like to point out to my colleagues that the motion for a resolution itself invites the Commission to modify its proposals. I make this statement without prejudice and should like to add that, quite apart from my personal opinion on the content of this amendment, the Committee on Agriculture has already made it clear that it wishes the Commission to modify—and not to withdraw—its proposals.

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

I call Mr Cipolla to move Amendment No 24.

Mr Cipolla. — (I) Mr President, I have asked to speak because I should like to remind those of our colleagues who have been exclaiming 'those Italians!', that the Italians, too, are part of the Community. The Italians, who pay to the Community more than they receive from it, wish to

remain in the Community and to defend it. This amendment is imbued with a European spirit because it is concerned essentially, as I have said in my previous intervention, with two issues: firstly, to provide an immediate answer to the problems of the wine-growers to whom the Commission's proposal offers scant help, and, secondly, to confront the problem of structural wine surpluses with all the other structural surplus problems in the Community.

I should have liked to see a more extensive debate on this occasion, because it is a subject that has cropped up in the debates of our German Social Democratic colleagues and of our Labour colleagues throughout the campaign which the latter waged for and against accession to the Community. To examine therefore the entire complex of the problems of the surpluses is not an Italian but a European matter. Indeed, it would be thoroughly un-European to go on pretending that a surplus causing a loss of 50 million to the Community is a grave one while a surplus costing the Community 1 400 million is a good thing.

What is more, since this Parliament is not fully exercising its powers, there is, I believe, a political significance to the signatures which have been appended to this amendment, a significance which should give the House food for thought. These are signatures of the Italian members of the Communist Group, the Socialist and the Christian-Democratic Groups, that is, they belong to the majority of the Italian representatives in the major political groups in this Parliament.

President. — What is the rapporteur's position?

Mr Della Briotta, rapporteur. — (I) As a matter of fact the Committee on Agriculture has already shown itself unwilling to accept in committee an amendment of almost identical content with that tabled by Mr Cipolla.

President. — I put Amendment No 24 to the vote.

The amendment is rejected.

I put the first four indents of the preamble to the vote.

The first four indents of the preamble are adopted. On the fifth indent of the preamble I have Amendment No 2 tabled by Mr Ligios and Mr Vetrone and worded as follows:

"This indent to read as follows:

— having regard to the report of the Committee on Agriculture and the opinions of the Committee on Budgets and that of the Committee on External Economic Relations (Doc. 187/75)"

President

As the authors of this amendment are not present and there is no-one deputizing for them, this amendment becomes void.

I call Mr Houdet, chairman of the Committee on Agriculture.

Mr Houdet. — (F) I have asked to speak in order to explain what I would have said to Mr Ligios and Mr Vetrone.

We have had the opinion of the Committee on Budgets, but the Committee on External Economic Relations did not deliver an opinion. We cannot therefore quote it in the resolution.

President. — On the first recital I have Amendment No 11 tabled by Mr Liogier on behalf of the Group of European Progressive Democrats and worded as follows:

“Delete this recital and replace by:

‘—considering that the serious situation that arose within the Community in March and April of this year and threatened to disrupt the mechanisms provided for in the Treaty and in subsequent Community legislation, was finally resolved by the resumption of trade made possible by the Council’s acts of 15 April 1975;’”

I call Mr Liogier.

Mr Liogier. — (F) Mr President, there is no reason, it seems to me, to dwell on conjunctural elements to which one of the countries may have given rise; what we must do is to emphasize the grave situation that has arisen in the Community as a whole.

On the other hand, in the French text at least, this recital is difficult to justify both from a grammatical and from a logical point of view.

President. — What is the rapporteur’s position?

Mr Della Briotta, rapporteur. — (I) I consider Mr Liogier’s proposal acceptable, since it does not disturb the balance of the draft report. As to whether the events of March and April should be considered in the context of the seriousness of short-term economic problems throughout the whole Community, I believe we should reserve our verdict on this. However, I am willing to defer to the House’s opinion.

President. — I put Amendment No 11 to the vote.

Amendment No 11 is adopted.

I put the second and third recitals to the vote.

The second and third recitals are adopted.

Following the third recital I have Amendment No 3 tabled by Mr Ligios and Mr Vetrone and worded as follows:

“After the third recital, insert the following new recital:

‘—considering that if no actions or measures are taken to increase the utilization of wine production inside the Community and to facilitate the marketing thereof in third countries, such a situation, if it is allowed to persist, could jeopardize the equilibrium of the market to the disadvantage of producers without benefiting consumers.’”

As the authors of this amendment are not present and there is no-one deputizing for them, this amendment becomes void.

I put the fourth, fifth, sixth and seventh recitals to the vote.

The fourth, fifth, sixth and seventh recitals are adopted.

On paragraph 1 I have two amendments:

— Amendment No 31 tabled by Mr Früh, Mr De Koning, Mr Scott-Hopkins and Mr Martens and worded as follows:

“The beginning of this paragraph should read as follows:

‘1. Welcomes the Commission’s proposal, but invites the Commission, pursuant to...’”

— Amendment No 32 tabled by Mr Früh, Mr De Koning, Mr Scott-Hopkins and Mr Martens and worded as follows:

“In the fourth line, the words ‘ensuring that vine cultivators are able to maintain their incomes’ should be replaced by the words ‘guaranteeing vine cultivators appropriate incomes.’”

These amendments can be considered jointly.

I call Mr Früh.

Mr Früh. — (D) Mr President, our point was that we should first welcome the Commission’s proposal and then simply continue with the text.

Amendment No 32 refers to the fourth line, which speaks of maintaining incomes. We would like to see this changed to read ‘guaranteeing appropriate incomes’ because we feel the present wording gives too static a meaning; ‘appropriate incomes’ seems better to us.

President. — What is the rapporteur’s position?

Mr Della Briotta, rapporteur. — (I) As regards amendment No 31 I must say I did not get the impression that either the Committee on Agriculture or the Italian and French wine-

Della Briotta

growers welcomed the Commission's proposal. If the proposed wording is intended to signify unqualified approval, no matter how things turn out, the Committee on Agriculture is opposed to this amendment. This is not, of course, to say that we are opposed to any modification. But I should not like to see this amendment mischievously tabled so as to ensure approval of the Commission's proposal after all. As regards amendment No 31, I think it is acceptable to the House. There might, perhaps, be room for more debate as to whether it is correct to speak of income or adequate income as well as on the exact significance of 'adequate income'; but I do not believe that this terminology affects the essence of the problem.

President. — I put Amendment No 31 to the vote on the understanding that if it is rejected Amendment No 32 can still be adopted.

Amendment No 31 is adopted.

I put Amendment No 32 to the vote.

Amendment No 32 is adopted.

I put paragraph 1 so amended to the vote.

Paragraph 1 is adopted.

I put paragraphs 2 and 3 to the vote.

Paragraphs 2 and 3 are adopted.

On paragraph 4 I have Amendment No 4 tabled by Mr Ligios and Mr Vetrone and worded as follows:

"This paragraph to read as follows:

'4. Recognizes that, in view of the present economic situation, planting must be controlled, and stresses that the Commission's proposal introduces into the common agricultural policy a curb on production and a limitation of aids which have until now been carefully avoided even in production sectors responsible for the greatest surpluses;'"

As the authors of this amendment are not present and there is no-one deputizing for them, this amendment becomes void.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

Following paragraph 4 I have Amendment No 5 tabled by Mr Ligios and Mr Vetrone and worded as follows:

"After paragraph 4, insert the following new paragraph:

'4a. Warns, however, against elaborating a restrictive, complex and generalized system which could give rise to extremely serious problems of practical implementation, and whose efficacy as regards the actual reduction of production has yet to be demonstrated;'"

As the authors of this amendment are not present and there is no-one deputizing for them, Amendment No 5 becomes void.

On paragraph 5 I have two amendments:

— Amendment No 28 tabled by Mr Leenhardt aimed at the deletion of this paragraph.

— Amendment No 12 tabled by Mr Liogier and worded as follows:

"Delete this paragraph and replace by:

'5. Feels that the limitation of new planting, if it is to lead to tangible results, must be of a general nature, while account must be taken of the two-fold need to eliminate high yields, which are often the cause of surpluses and poor-quality products and to enable small-scale wine growers farming less than 15 hectares in wine-growing regions to adapt their production to the provisions of the directives on structures.'"

I call Mr Leenhardt to move Amendment No 28.

Mr Leenhardt. — (*F*) Mr President, I spoke just now of the fear that paragraph 5, which sets out to change the arrangement at regional level, will result in a considerable limitation in the rule on prohibiting new planting.

A moment ago Mr Lardinois expressed the same view as I hold: he stated that solutions must be found quickly and told the rapporteur that ultimately, in a year's time, he would not be averse to progress in that direction. I therefore feel that my amendment is justified.

President. — I call Mr Liogier to move Amendment No 12.

Mr Liogier. — (*F*) I have nothing to add, Mr President; I explained the purpose of this amendment at some length during my statement.

President. — What is the rapporteur's position?

Mr Della Briotta, rapporteur. — (*I*) Mr President, I feel that Mr Leenhardt's amendment should be rejected because it goes against the concept formulated by Mr Lardinois. In this connection I should like the Commissioner to make it quite clear that the restriction will apply to this first 18 months and that it will not be possible, either automatically or by a decision of the Council to extend it to a longer period.

The point is that the concept which we wished to introduce, that is that restrictions on planting cannot be applied to all the viticulture in the Community and that mechanisms must be created to enable regional adjustments of the controls, implies recognition of the existence of a variety of wine-growing specializations

Della Briotta

which must be taken into account. I am, therefore, opposed to Mr Lenhardt's abolitionist amendment.

In addition, on Mr Liogier's amendment proposing to penalize high crops, I must point out that high yields can be found throughout the Community, including even Luxembourg, though Luxembourg's output is very low. There are, however, regions where harvests are particularly abundant, especially in southern France and southern Italy.

At this point I must recall that when there was a question of penalizing certain high milk outputs it was our Conservative colleagues who, in committee, strongly opposed any such measure. For in penalizing high outputs one is effectively penalizing the most efficient producers.

To suggest, therefore, that high yields should be automatically penalized is simply to avoid the problem. High outputs ought to be penalized, in fact, when wine of inferior quality is being produced. For while it is true that a high alcohol content is no guarantee of the quality of the wine, it is also certain that any wine with a low alcohol content is bad. To talk, therefore, of automatic penalization of high outputs is not a serious way of tackling the problem.

On this point I should like to ask Mr Lardinois whether he has really given way, and whether the period of prohibition on new planting will in fact be restricted to 18 months.

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission. — (NL) Mr President, I agree with the rapporteur that we take 18 months as a basis. After that we shall no longer be able to apply this criterion and we shall have to take measures adapted to the different regions to keep new planting under control.

President. — I put Amendment No 28 to the vote.

Amendment No 28 is rejected.

I put Amendment No 12 to the vote.

Amendment No 12 is rejected.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

Following paragraph 5 I have two amendments:

— Amendment No 6 tabled by Mr Ligios and Mr Vetrone and worded as follows:

"After paragraph 5, insert the following new paragraph:

'5a. Underlines the contribution made by the wine industry to the development of the Mediterranean regions of the Community, a development which should not be jeopardized by a general and categorical prohibition which could expose vast agricultural areas to uncertain redevelopment involving products which are highly sensitive, such as olive oil or wheat, or which can only be obtained at unfavourable costs;'"

— Amendment No 8 tabled by Mr Zeller on behalf of the Committee on Agriculture and worded as follows:

"After paragraph 5, insert the following new paragraph:

'5a. Invites the Commission to replace as soon as possible the prohibition system by a strict authorization system adapted to each individual region and vine variety;'"

As the authors of Amendment No 6 are not present and there is no-one deputizing for them, Amendment No 6 becomes void.

I call Mr Zeller to move Amendment No 8.

Mr Zeller. — (F) Mr President, I did not think that I would be reproducing Mr Lardinois' ideas so faithfully with this amendment, which requests the Commission to replace very soon the general prohibition system by a selective one. This would remove the concern felt by members of the various groups in this House.

President. — What is the rapporteur's position?

Mr Della Briotta, rapporteur. — (I) I am in favour of this amendment.

President. — I put Amendment No 8 to the vote.

Amendment No 8 is adopted.

On paragraph 6 I have Amendment No 9 tabled by Mr Zeller on behalf of the Committee on Agriculture and worded as follows:

"This paragraph should read as follows:

'6. Asks that when marking off 'vine renewal areas', the analysis should take into account above all the wine producing aptitude of the various production areas without penalizing those where major conversion and rationalization efforts have been made;'"

I call Mr Zeller.

Mr Zeller. — (F) Mr President, this amendment is in fact a modified version of the original text put forward by the Committee on Agriculture and represents an attempt to clarify and simplify it. It has already been approved by the committee.

President. — I put Amendment No 9 to the vote.

Amendment No 9 is adopted.

Following paragraph 6 I have Amendment No 7 tabled by Mr Ligios and Mr Vetrone and worded as follows:

“After paragraph 6, insert the following new paragraph:

‘6a. Invites the Commission to replace the prohibition system by a strict authorization system adapted to each individual region;’”

As the authors of this amendment are not present and there is no-one deputizing for them, this amendment becomes void.

On paragraph 7 I have Amendment No 13 tabled by Mr Liogier on behalf of the Group of European Progressive Democrats and aimed at the deletion of this paragraph.

I call Mr Liogier.

Mr Liogier. — (F) Mr President, we advocate the deletion of paragraph 7 since it only partly deals with the subject concerned, and in a biased way at that.

In fact, the prohibition of new planting should be general and should apply to all regions and all cellars.

How else are we to determine which wines are allegedly to blame for the crisis and which are not?

President. — What is the rapporteur’s position?

Mr Della Briotta, rapporteur. — (I) I am opposed to this amendment because it seems to me mistaken to take no account of the special position of classified wines and quality wines, even though the crisis might have been caused by speculation, scandals and so on. I believe we should stand by the Committee on Agriculture’s text.

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

Amendment No 13 is rejected.

I put paragraph 7 to the vote.

Paragraph 7 is adopted.

I put paragraphs 8 to 11 to the vote.

Paragraphs 8 to 11 are adopted.

Following paragraph 11 I have Amendment No 14 tabled by Mr Liogier on behalf of the

Group of European Progressive Democrats and worded as follows:

“After this paragraph add the following new paragraph 11a:

‘11a. Strongly favours replanting subsidies in wine-growing regions provided they are subject to strict regulations governing vine varieties and their distribution, with the aim of producing high-quality wines exactly adapted to local soil conditions;’”

I call Mr Liogier.

Mr Liogier. — (F) Mr President, in pursuing a policy of quality, it is not sufficient to prohibit planting and replanting here and there. Repressive measures are useful, but inadequate. If progress is to be made, certain, accurately defined replanting must be favoured. To this end, strict regulations should be introduced which allow the replanting of recommended varieties in accurately defined quantities. To provide a stimulus, a system of modernization subsidies should be developed.

President. — What is the rapporteur’s position?

Mr Della Briotta, rapporteur. — (I) The Committee on Agriculture has not been able either to discuss or to give an opinion on this problem. It is a problem of some consequence but I find it rather difficult to support Mr Liogier’s proposal on this occasion. At all events, the question can be looked at again at another time.

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission. — (NL) Mr President, I would like to recommend acceptance of this amendment, especially as it can be implemented on the basis of Regulation No 159 on structural policy. The Liogier amendment indicates the way in which the wine sector should be further improved.

President. — I put Amendment No 14 to the vote.

The amendment is adopted.

On paragraph 12 I have Amendment No 29 tabled by Mr Leenhardt aimed at the deletion of this paragraph.

I call Mr Lennhardt to move his amendment.

Mr Leenhardt. — (F) Mr President, I gave the reasons for tabling this amendment just now.

In certain areas the table grape ripens very late. Some of the harvest is affected by bad weather and cannot be marketed. If wine pro-

Leenhardt

ducing is prohibited, the producers will face ruin. If they go over to grapes intended for wine production, at great expense to themselves, we shall find that, instead of the table grape making up one third of the harvest, we have three times as much wine. That is why I should like to see paragraph 12 deleted.

President. — What is the rapporteur's position?

Mr Della Briotta, rapporteur. — (I) I must tell you that the Committee on Agriculture decided against a proposal similar to that put forward by Mr Leenhardt, although on that occasion it was said that account must be taken of the not inconsiderable social and economic aspects of the matter.

The Commission has in fact tackled the problem somewhat light-heartedly, or perhaps without realizing its importance.

It concerns 2 million hectolitres of wine in Italy and 1 million in France which escape all control and we need to act prudently and find an alternative solution. On the other hand, to ignore the fact that 3 or 4 million hectolitres of wine of far from excellent quality exist in the Community would also be a grave matter and this is why I ask the House to reject Mr Leenhardt's amendment.

President. — I put Amendment No 29 to the vote.

Amendment No 29 is rejected.

I put paragraph 12 to the vote.

Paragraph 12 is adopted.

I put paragraphs 13 and 14 to the vote.

Paragraphs 13 and 14 are adopted.

On paragraph 15 I have Amendment No 10 tabled by Mr Zeller on behalf of the Committee on Agriculture and worded as follows:

"After the words:
'should be added'
add the following:
'as soon as possible'."

I call Mr Zeller to move his amendment.

Mr Zeller. — (F) Mr President, this amendment represents an attempt to have the Commission introduce as soon as possible a system of incentives to eliminate poor quality vineyards.

I am well aware that suggesting the elimination of vineyards is rather like suggesting to some-

one that he have teeth extracted. It will be painful and unpopular, but I do not think that as the economy now stands, with everyone here speaking of structural surpluses, it will be possible to avoid a measure of this kind, which is likely to ensure improved administration of EAGGF funds. I consequently recommend Parliament to adopt this amendment.

President. — What is the rapporteur's position?

Mr Della Briotta, rapporteur. — (I) Such a proposal has already been made in the Committee on Agriculture and I was given the task of preparing an amendment to be submitted in this House. It is my opinion, therefore, that it should be adopted.

President. — I put Amendment No 10 to the vote.

Amendment No 10 is adopted.

I put paragraph 15 so amended to the vote.

Paragraph 15 is adopted.

On paragraph 16 I have two amendments

— Amendment No 33 tabled by Mr Früh, Mr de Koning, Mr Scott-Hopkins and Martens, and worded as follows:

"In the third line of this paragraph, the word 'remunerative'
should be replaced by the word
'appropriate'."

— Amendment No 34 tabled by Mr Früh, Mr de Koning, Mr Scott-Hopkins and Mr Martens, and worded as follows:

"In the third and fourth lines of this paragraph, the words
'without providing... structural surpluses'
should be replaced by the words
'so as to prevent the creation of structural surpluses without causing social difficulties'."

These two amendments can be considered jointly.

I call Mr Früh.

Mr Früh. — (D) Mr President, in the case of paragraph 16 the phrase 'prices to producers should be fixed at remunerative levels' and the clause 'without providing incentives to create structural surpluses' seemed to us to be somewhat contradictory. After all, if something is worthwhile, it will be produced. We therefore request that the word 'remunerative' be replaced by 'appropriate', that the final clause from

Früh

'without' to 'surpluses' be replaced by 'so as to prevent the creation of structural surpluses' and that 'without causing social difficulties' be added to this. We are aware that incomes in the regions concerned cause considerable difficulties and would like to see other measures taken—and we are thinking here in particular of the Regional Fund—to produce a solution.

President. — What is the rapporteur's position?

Mr Della Briotta, rapporteur.— (I) The House should have no difficulty in accepting these two amendments.

President. — I put Amendments Nos 33 and 34 to the vote.

Amendments Nos 33 and 34 are adopted.

I put paragraph 16 so amended to the vote.

Paragraph 16 is adopted.

I put paragraphs 17 and 18 to the vote.

Paragraphs 17 and 18 are adopted.

Following paragraph 18 I have Amendment No 15 tabled by Mr Liogier on behalf of the Group of European Progressive Democrats and worded as follows:

"After this paragraph add a new paragraph 18a:

'18a. Feels that, in the matter of trade between the Member States, the regulation must contain provisions to eliminate trading at prices below the trigger price for intervention, since such prices, which do not provide even a basic subsistence income, can only aggravate socio-economic distortions in the countries where they are applied, whereas it is the Community's first duty to take steps to eliminate such distortions both between and within the Member States;'"

I call Mr Liogier.

Mr Liogier. — (F) Mr President, when I mentioned the Italian problem during my speech, I also explained this amendment.

President. — What is the rapporteur's position?

Mr Della Briotta, rapporteur. — (I) We should be careful not to give way to Mr Liogier's argument because it seems to me to be contrary to the general principles of the free movement of goods. Were this formula to be implemented it would be the end of the Common Market.

I ask the House, therefore, to reject this request.

President. — I put Amendment No 15 to the vote.

Amendment No 15 is rejected.

On paragraph 19 I have Amendment No 16 tabled by Mr Liogier on behalf of the Group of European Progressive Democrats and worded as follows:

"Delete this paragraph and replace by:

'19. Agrees with the idea of having recourse to preventive distillation which may be made compulsory in certain cases and under certain conditions;'"

I call Mr Liogier.

Mr Liogier. — (F) Mr President, as I am satisfied with the latest wording of paragraph 19, I withdraw the amendment.

President. — Amendment No 16 is therefore withdrawn.

I put paragraph 19 to the vote.

It is adopted.

On paragraph 20 I have two amendments:

— Amendment No 17 tabled by Mr Liogier on behalf of the Group of European Progressive Democrats and worded as follows:

"In the first line of this paragraph, delete the word:

'however'."

— Amendment No 25 tabled by Mr Laban and worded as follows:

"In this paragraph delete the following words:

'..., however, that if these remedial operations are to make sense the withdrawal price must be fixed at a level higher than 50% of the guide price, and...'"

I call Mr Liogier to move Amendment No 17.

Mr Liogier. — (F) I withdraw this amendment for the same reason that I withdrew Amendment No 16.

President. — I call Mr Laban to move Amendment No 25.

Mr Laban. — (NL) Mr President, paragraph 19 started with a measure of approval for preventive distillation. However the fear was expressed that this could lead to the production of wine simply to be sold into intervention. Thanks to an amendment from me, this last part has been deleted. Now it is again being proposed in paragraph 20 to fix the price for preventive intervention at more than 50%. This we find especially illogical since preventive distillation prices are being set at more than 50% of the guide

Laban

prices and in this case it is certain that production will sometimes be aimed simply at intervention. So I propose that we retain the Commission's proposals in which the preventive intervention price is fixed at 50% by analogy with the alcohol price.

President. — What is the rapporteur's position?

Mr Della Briotta, rapporteur. — (I) I am of the contrary opinion and should explain that the Committee on Agriculture has already pronounced in this sense after taking into consideration the percentages of intervention and withdrawal prices for other products which are charged to the EAGGF's Guarantee Fund as well.

President. — I put Amendment No 25 to the vote.

Amendment No 25 is adopted.

I put paragraph 20 so amended to the vote.

Paragraph 20 is adopted.

On paragraph 21 I have no amendments or speakers listed.

I call Mr Früh.

Mr Früh. — (D) Mr President, I do apologize, but I should like to clarify one point. I think there is something wrong with the German text. I believe I am right in thinking the idea is that the distillation allowances are to be paid promptly, but it says here 'cleared'. That cannot be right. I therefore ask that the wording be corrected.

President. — I have been told that the Secretariat will make the correction: it is a question of 'paying' and not 'clearing'.

I put paragraph 21 to the vote.

Paragraph 21 is therefore adopted.

On paragraph 22 I have Amendment No 35 tabled by Mr Früh, Mr de Koning, Mr Scott-Hopkins and Mr Martens, and worded as follows:

"In the second line of this paragraph, the words 'strategic areas' should be replaced by the words 'the areas concerned'."

I call Mr Früh.

Mr Früh. — (D) All we are asking is that the German version simply read 'the areas con-

cerned' instead of 'strategic areas', which is perhaps unclear.

President. — I put Amendment No 35 to the vote.

Amendment No 35 is adopted.

I put paragraph 22 so amended to the vote.

Paragraph 22 is adopted.

On paragraph 23 I have two amendments:

— Amendment No 30 tabled by Mr Leenhardt and aimed at the deletion of this paragraph.

— Amendment No 18 tabled by Mr Liogier and worded as follows:

"Delete this paragraph and replace by:

"23. Takes the view that measures for compulsory preventive distillation should apply to the total content of each cellar, seeing that wines produced in excessive quantities should be penalized more heavily than others;"

I call Mr Liogier to move Amendment No 18.

Mr Liogier. — (F) Compulsory preventive distillation should not be restricted to certain wines if it is to be effective. On the other hand, those responsible will undoubtedly have only their poorest wines distilled.

President. — I call Mr Leenhardt.

Mr Leenhardt. — (F) I feel that paragraph 23 is too restrictive. It attempts to limit compulsory preventive distillation to flawed wines. This measure will result in the saving of high yields. And just now Mr Lardinois was saying about paragraph 23 that the proposal did not go far enough if we wanted to get to grips with the present situation. I hope that with his support my request for the deletion of this paragraph can be adopted.

President. — What is the rapporteur's position?

Mr Della Briotta, rapporteur. — (I) I ask the House to reject these two amendments. I think it would be rather difficult to apply this standard to the whole of the Community's output since it would mean going into each wine-grower's cellar and forcing him to lower his normal output by a certain percentage. Actually, the wines sent for distillation will be those that upset the market because they are of inferior quality or because they have been subjected to fraudulent practices or adulteration, while good quality wines will find their normal place on the market without becoming a burden on the Community's budget.

President. — I put to the vote Amendment No 30 which departs furthest from the original text.

The amendment is rejected.

I put Amendment No 18 to the vote.

The amendment is rejected.

I put paragraph 23 to the vote.

Paragraph 23 is adopted.

I put paragraphs 24 and 25 to the vote.

They are adopted.

On paragraph 26 I have Amendment No 36 tabled by Mr Früh, Mr de Koning, Mr Scott-Hopkins and Mr Martens, and worded as follows:

“In this paragraph, the words

‘such as sugaring... fraudulent practices’

should be deleted and replaced by the following: ‘thereby avoiding the risk of fraudulent practices.’”

I call Mr Früh.

Mr Früh. — (D) Mr President, we have tabled an amendment to this paragraph because we should like to see the words ‘such as sugaring, which are much more artificial and can easily give rise to fraudulent practices’ deleted. We have already accepted concessions for enrichment with musts, albeit reluctantly, but we are opposed to it being said that sugaring is a method that is much more artificial than another method and in addition that it can more easily give rise to fraudulent practices than other methods. We would simply like to see the resolution saying that fraudulent practices must be prevented. I feel that we owe this to the name and status of wine. I ask the House to adopt this amendment.

President. — What is the rapporteur’s position?

Mr Della Briotta, rapporteur. — (I) I leave this matter to the House, although I am aware that the addition of sugar is a widespread practice in the Community. What is more, the addition of sugar is in effect a source of fraudulent practice because by this means water is turned into wine. It is no use acting like an ostrich and these things need to be said clearly. If, on the other hand, we prefer to have high outputs, then let us go on saying that we want good wine at low cost with little burden to the Community and let us go on adding sugar, which, after all, does nobody any harm.

President. — I put Amendment No 36 to the vote.

The amendment is adopted.

I put paragraph 26 so amended to the vote.

Paragraph 26 is adopted.

On paragraph 27 I have Amendment No 37 tabled by Mr Früh, Mr de Koning, Mr Scott-Hopkins and Mr Martens and worded as follows:

“In this paragraph, the words:

‘and, while recognizing... may give rise;’

should be replaced by the following:

‘while recognizing the necessity for this in certain limited areas;’”

I call Mr Früh.

Mr Früh. — (D) Mr President, this amendment stems from the same concern. I therefore request that in view of the abuse to which this method may give rise, this phrase be deleted.

President. — What is the rapporteur’s position?

Mr Della Briotta, rapporteur. — (I) I am opposed to this amendment for reasons that have already been stated. I should like to add one further argument: the Community is not very rich in sugar, while it does have very many grapes and therefore a lot of grape must for which a use can thus be found.

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission. — (NL) Mr President, I would like to support the rapporteur’s views. It is a shame that he was not able to get his way on the previous point. However I did not wish to say anything in order to leave Parliament full freedom on this point. The present amendment goes much further. This concerns not only the use of sugar but the use of sugar in aqueous solution.

I would therefore recommend Parliament not to accept this amendment.

President. — I call Mr Früh.

Mr Früh. — (D) I would ask the House to adopt the amendment tabled by my colleagues and myself for the simple reason that if we leave this paragraph as it is, there will be discrimination against wine from these areas. We cannot quite accept that.

And another thing I should not like to accept: we could have a long debate on what alters the character of wine more, a completely different kind of must, obtained from different grapes, or sugar. I do not really know; in the eyes of

Früh

this Parliament sugar is also a natural product. There should not really be any doubt about that. I do not want to start a long debate even though the Commissioner is shaking his head. You know, Mr Lardinois, that we are not quite in agreement on this. We should find the time to discuss it. Afterwards I imagine you would be nodding your head.

President. — I put Amendment No 37 to the vote.

The amendment is rejected.

I put paragraph 27 to the vote.

Paragraph 27 is adopted.

On paragraph 28 I have Amendment No 19 tabled by Mr Liogier on behalf of the Group of European Progressive Democrats and worded as follows:

“After the words ‘grape musts’ insert the following

‘which, besides their other advantages, do not increase wine production artificially;’”

I call Mr Liogier.

Mr Liogier. — (*F*) We are in favour of enrichment by means of grape musts, but we wish to stress the fact that this method has the advantage of not artificially increasing wine production, which is the case with sugaring.

President. — What is the rapporteur’s position?

Mr Della Briotta, rapporteur. — (*I*) I am in favour.

President. — I put Amendment No 19 to the vote.

Amendment No 19 is rejected.

I put paragraph 28 to the vote.

Paragraph 28 is adopted.

On paragraph 29 I have two amendments:

— Amendment No 20 tabled by Mr Liogier on behalf of the Group of European Progressive Democrats and worded as follows:

“Delete this paragraph and replace by:

‘29. — Is astonished that the Commission bases the quality of table wines solely on alcoholic content and takes no account whatsoever of vine variety, which is, however, the prime factor in determining the true quality of wines;

— Cannot accept that the alcoholic content of the different categories should be fixed in future at as high a level as that laid

down for transportation and marketing (eg. 9.5° for category C2), and suggests moreover in this connection that the map of the wine regions should be revised to record possible changes in category;’”

— Amendment No 38 tabled by Mr Klepsch, Mr Frehsee, Mrs Orth, Mr Früh, Mr de Koning, Mr Scott-Hopkins and Mr Martens and worded as follows:

“In this paragraph, the words

‘to raise the minimum basic level of natural alcoholic content above the level originally proposed’

should be deleted and replaced by the words ‘to take account of other criteria of quality besides the natural alcoholic content.’”

I call Mr Liogier to move Amendment No 20.

Mr Liogier. — (*F*) Mr President, I explained my amendment at some length during my speech.

President. — I call Mr Klepsch to move Amendment No 38.

Mr Klepsch. — (*D*) Mr President, I believe I can be brief. When debating the report drawn up by Mr Scott-Hopkins, the House decided that alcoholic content should not be taken as the only quality criterion. The object of my amendment is to reflect that feeling in this resolution as well. I would therefore urge the House to adopt the amendment that I and a number of other Members have tabled.

President. — What is the rapporteur’s position?

Mr Della Briotta, rapporteur. — (*I*) I am opposed to this amendment, which was also rejected by the Committee on Agriculture. I say once again that wine of high alcoholic content need not necessarily be good; but wine of low alcoholic content is always bad. This is what the House must understand to be able to make a decision.

President. — I put to the vote Amendment No 20 which departs furthest from the original text.

The amendment is rejected.

I put to the vote Amendment No 38 tabled by Mr Klepsch.

Amendment No 38 is adopted.

I put to the vote paragraph 29 so amended.

Paragraph 29 is adopted.

I put to the vote paragraphs 30 to 33.

They are adopted.

President

On paragraph 34 I have Amendment No 26 tabled by Mr Laban and aimed at deletion of this paragraph.

I call Mr Laban.

Mr Laban. — (NL) Mr President, in a large number of countries the social insurance system and the welfare system are very extensive. This means that a large part of income is devoted to income tax and social insurance payments. In those countries excise duty is also levied, not only on wine but also on beer, strong drink, petrol, cars etc. It has been shown that this has not led to a reduction in consumption.

On the contrary, if wine consumption drops, the reason is to be sought in the wine-producing countries. The countries which have introduced excise are unable to do without it. If they lose this revenue they will have to raise income tax which has already been pushed up to the maximum level. That would mean that people would no longer have money to spend on wine. I find, therefore, that the countries concerned must be free to impose that excise duty. I am fully in agreement with what this Parliament states in its resolution on the balance of supply and demand, namely that there must be harmonization of social premiums and fiscal policy, especially income policy, since this is where competition is distorted. We believe that the excise duties must be maintained. All other countries are free, as we are, to impose excise duty on beer and other drinks which they do not produce themselves.

I would therefore sincerely recommend that my amendment be accepted.

President. — What is the rapporteur's position?

Mr Della Briotta, rapporteur. — (I) I am opposed to this amendment which has already been rejected by the Committee on Agriculture together with Amendment No 27 which refers to paragraph 35.

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission. — (NL) Mr President, I would like to add one further remark but since it is so late I shall be brief.

Mr Laban has made a speech worthy of a greater purpose. I do not find his arguments for deleting paragraph 34 convincing. I fail to see why, if excise duties have to be imposed to pay social charges, the excise duties should be imposed on wine and not—to give one example—on coca-cola...

Mr Fellermaier. — (D) Hear, hear!

Mr Lardinois. — (NL)... I find it very typical that the very countries which do not produce wine should impose such a high excise duty, and this includes Benelux with the exception of the wine that Benelux itself produces in Luxembourg. There is no excise duty on this wine. In Britain the excise duties have become almost prohibitive. Personally I therefore find—I cannot speak on behalf of the Commission in this case—the political statement requested by the rapporteur of the Committee on Agriculture, exceptionally commendable.

(Applause)

President. — I put Amendment No 26 to the vote.

Amendment No 26 is rejected.

I put paragraph 34 to the vote.

Paragraph 34 is adopted.

On paragraph 35 I have Amendment No 27 tabled by Mr Laban and aimed at deletion of this paragraph.

I call Mr Laban.

Mr Laban. — (NL) Mr President, it is only logical that, now my amendment to the previous paragraph has been rejected, my amendment to this paragraph should be withdrawn.

President. — Amendment No 27 is therefore withdrawn.

I put paragraph 35 to the vote.

Paragraph 35 is adopted.

I put paragraph 36 to the vote.

Paragraph 36 is adopted.

On paragraph 37 I have Amendment No 21 tabled by Mr Liogier on behalf of the Group of European Progressive Democrats and worded as follows:

“In the first line of this paragraph, replace the words

‘advisable to adjust’ by:

‘essential to strengthen’.”

I call Mr Liogier.

Mr Liogier. — (F) Mr President, it is merely a question of making the phrase a little stronger,

President. — What is the rapporteur's position?

Mr Della Briotta, rapporteur. — (I) This may in fact be in line with the wishes already expressed by the Committee on Agriculture. However, I leave the decision to the House.

President. — I put Amendment No 21 to the vote.

Amendment No 21 is adopted.

I put paragraph 37 so amended to the vote.

Paragraph 37 is adopted.

On paragraph 38 I have Amendment No 22 tabled by Mr Liogier on behalf of the Group of European Progressive Democrats and worded as follows:

"Delete this paragraph and replace by:

'38. Disapproves of the principle of massive imports from the Maghreb countries which subsequently have to be systematically distilled at the expense of the European taxpayer and feels that the agreements with the Maghreb countries should include a safeguard clause allowing imports into the Community to be suspended in the event of serious disruption of the market and a slump in prices;'"

I call Mr Liogier.

Mr Liogier. — (F) It would be grave disservice to import massive quantities of wine from the Maghreb countries, which then have to undergo very costly distillation. The distilled product would be competing with distilled Community wine and would be a burden on the European tax-payer.

Everyone wants to make wine, from America to Europe, and including North Africa. These countries should be told that it is in their own interests to take structural conversion measures like those we ourselves are taking.

President. — What is the rapporteur's position?

Mr Della Briotta, rapporteur. — (I) We should nevertheless remember that it was we Europeans who introduced wine into these countries. In view of that fact and of the present situation it is the Committee on Agriculture's text which should be adopted and Mr Liogier's amendment that should be rejected.

President. — I put Amendment No 22 to the vote.

Amendment No 22 is rejected.

I put paragraph 38 to the vote.

Paragraph 38 is adopted.

I put paragraphs 39 to 41 to the vote.

Paragraphs 39 to 41 are adopted.

On paragraph 42 I have Amendment No 23 tabled by Mr Liogier on behalf of the Group of European Progressive Democrats aimed at the deletion of this paragraph.

I call Mr Liogier.

Mr Liogier. — (F) Mr President, this amendment aims at the deletion of paragraph 42. I gave my reasons for wanting this when referring in my speech to imports of Italian wine into France at cut-throat prices which cannot support the families of small vine growers.

President. — What is the rapporteur's position?

Mr Della Briotta, rapporteur. — (I) This amendment should be rejected for the same reasons for which we have rejected Amendment No 15.

President. — I put Amendment No 23 to the vote.

Amendment No 23 is rejected.

I put paragraph 42 to the vote.

Paragraph 42 is adopted.

I put paragraphs 43 and 44 to the vote.

Paragraphs 43 and 44 are adopted.

I call Mr Noè for an explanation of vote.

Mr Noè. — (I) I rise, Mr President, to put, very briefly, a question to Mr Lardinois. I am not a member of the Committee on Agriculture and tonight is the first time that I have followed the arguments on this subject. But there is one point on which I have seen no solution offered. I mean the problem of the nurserymen, that is the people who grow the cuttings which are then planted to become vines. A provision of this sort will mean that these people will have absolutely no sales for their product. I only have this request: I should like to ask Mr Commissioner Lardinois whether he can assure the House that some measure in favour of the nurserymen will be taken. Otherwise they will find no outlet for their output. This matter is not mentioned in any of the points of the resolution but there is a category of people who make their living in this way and they must be protected.

President. — I am sorry Mr Noè, but that is not an explanation of vote.

President

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

The resolution is adopted.¹

I should like to congratulate Mr Della Briotta on the work which he has successfully concluded.

(Applause)

I call Mr Lardinois.

Mr Lardinois, member of the Commission. — *(NL)* Mr President, I would also like to congratulate Mr Della Briotta on behalf of the Commission. In reply to Mr Noè I would like to say that we are aware of the point he mentioned. We have not yet found a solution to it, but we hope to do so shortly.

12. Agenda for next sitting

President. — The next sitting will be held today, Friday 11 July 1975 at 9.30 a.m., with the following agenda:

- joint debate on the reports by Mr Lange and Mr Aigner on amendments to the financial provisions of the Treaties;
- report by Mr Aigner on the ECSC Auditor's report for 1973;
- interim report by Mr Hougardy on the index-linking of savings;
- report by Mr Jahn on those parts of the 8th General Report falling within the terms of reference of the Committee on Public Health and the Environment;
- oral question with debate by Mr Jahn on bird protection.

The sitting is closed.

(The sitting was closed at 1.40 a.m.)

¹ OJ No C 179 of 6. 8. 1975.

SITTING OF FRIDAY, 11 JULY 1975

Contents

<p>1. Approval of minutes 259</p> <p>2. Documents received 259</p> <p>3. Transfers of appropriations in the 1975 budget 259</p> <p>4. Reference to committee 259</p> <p>5. Tabling of a motion for a resolution, decision on urgency and inclusion in the agenda 259</p> <p>6. Membership of committees 260</p> <p>7. Draft treaty amending certain financial provisions of the Treaties — Joint debate on two reports drawn up by Mr Lange and Mr Aigner on behalf of the Committee on Budgets (Doc. 166/75 and Doc. 167/75):</p> <p style="padding-left: 20px;">Mr Lange, rapporteur 261</p> <p style="padding-left: 20px;">Mr Aigner, on behalf of the Christian-Democratic Group 263</p> <p style="padding-left: 20px;">Mr Aigner, rapporteur 265</p> <p style="padding-left: 20px;">Mr Kirk, draftsman of the opinion for the Political Affairs Committee; Mr Berkhouwer, on behalf of the Liberal and Allies Group; Mr Shaw, on behalf of the European Conservative Group; Mr Liogier, on behalf of the Group of European Progressive Democrats; Mr Artzinger, on behalf of the Christian-Democratic Group; Mr Hamilton; Mr Knud Nielsen; Mr Dalyell; Mr Lange, on behalf of the Socialist Group; Mr Cheysson, member of the Commission; Mr Lange; Mr Aigner 266</p> <p style="padding-left: 20px;">Consideration of the motion for a resolution contained in Mr Lange's report (Doc. 166/75):</p> <p style="padding-left: 20px;">Amendments to Headings II and III:</p> <p style="padding-left: 40px;">Mr Shaw; Mr Lange; Mr Shaw 277</p> <p style="padding-left: 40px;">Amendment to paragraph 10 277</p>	<p style="padding-left: 20px;">Amendment to paragraphs 21 and 22 277</p> <p style="padding-left: 20px;">Amendments to paragraph 29:</p> <p style="padding-left: 40px;">Mr Shaw; Mr Lange; Mr Shaw 278</p> <p style="padding-left: 20px;">Adoption of resolution 279</p> <p style="padding-left: 20px;">Consideration of the motion for a resolution contained in Mr Aigner's report (Doc. 167/75):</p> <p style="padding-left: 20px;">Amendments to paragraph 6:</p> <p style="padding-left: 40px;">Mr Shaw 279</p> <p style="padding-left: 40px;">Adoption of resolution 279</p> <p>8. Report of the ECSC Auditor for 1973 — Debate on a report drawn up by Mr Aigner on behalf of the Committee on Budgets (Doc. 140/75):</p> <p style="padding-left: 20px;">Mr Aigner, rapporteur 279</p> <p style="padding-left: 20px;">Mr Cheysson, member of the Commission; Mr Dalyell; Mr Cheysson; Mr Dalyell 280</p> <p style="padding-left: 20px;">Adoption of resolution 282</p> <p>9. Index-linking of savings — Adoption without debate of the motion for a resolution contained in the interim report drawn up by Mr Hougardy on behalf of the Committee on Economic and Monetary Affairs (Doc. 165/75) .. 282</p> <p>10. Eighth General Report on the Activities of the European Communities — Debate on a report drawn up by Mr Jahn on behalf of the Committee on Public Health and the Environment (Doc. 149/75):</p> <p style="padding-left: 20px;">Mr Jahn, rapporteur 282</p> <p style="padding-left: 20px;">Mr Scarascia Mugnozza, Vice-President of the Commission; Mr Jahn; Mr Scarascia Mugnozza 283</p> <p style="padding-left: 20px;">Adoption of resolution 284</p>
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|---|--|
| <p>11. <i>Oral question with debate: Inadequate EEC bird protection measures (Doc. 153/75)</i></p> <p><i>Mr Jahn, author of the question; Mr Scarascia Mugnozza, Vice-President of the Commission</i> 284</p> | <p>12. <i>Dates for next part-session</i> 286</p> <p>13. <i>Adjournment of session</i> 286</p> <p>14. <i>Approval of minutes</i> 286</p> |
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IN THE CHAIR: MR SANTER

Vice-President

(The sitting was opened at 9.35 a.m.)

President. — The sitting is open.

1. *Approval of minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Documents received*

President. — I have received :

— from the Council of the European Communities a request for an opinion on :

I. a regulation amending Regulation No. 120/67/EEC on the common organization of the market in cereals

II. a regulation amending Regulation No. 359/67/EEC on the common organization of the market in rice

(Doc. 192/75)

which has been referred to the Committee on Agriculture ;

— from the Commission of the European Communities :

the report of the ECSC Auditor for the financial year 1974

(Doc. 195/75)

which has been referred to the Committee on Budgets.

3. *Transfers of appropriations in the 1975 budget*

President. — I have informed the Council that the Committee on Budgets has delivered a favourable opinion on the proposal for a transfer

of appropriations from one chapter to another within Section II 'Council', Annex I — Economic and Social Committee — of the general budget for the 1975 financial year and on the proposals for transfers C3 and C4.

4. *Reference to committee*

President. — The motion for a resolution tabled by Mr Cointat, Mr Herbert, Mr Liogier and Mr Nyborg on behalf of the Group of European Progressive Democrats, pursuant to Rule 25 of the Rules of Procedure, on the peripheral coastal regions of the European Community (Doc. 162/75) has been referred to the Committee on Regional Policy and Transport.

5. *Tabling of a motion for a resolution, decision on urgency and inclusion in the agenda*

President. — I have received from Mr Fellermaier, on behalf of the Socialist Group; Mr Lücker, on behalf of the Christian-Democratic Group; Mr Brøndlund Nielsen, on behalf of the Liberal and Allies Group; Mr Kirk, on behalf of the European Conservative Group; Mr de la Malène, on behalf of the Group of European Progressive Democrats, and Mr Fabbrini, on behalf of the Communist and Allies Group, a motion for a resolution with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, amending the resolution of 12 March 1973 on the number and composition of committees.

I consult Parliament on the adoption of urgent procedure.

Are there any objections?

The adoption of urgent procedure is agreed.

Parliament would presumably wish to vote on the motion for a resolution immediately.

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

The resolution is adopted.¹

¹ OJ No C 179 of 6. 8. 1975.

6. Membership of committees

President. — In view of the increase in the number of parliamentary committees and their members, I have received from the enlarged Bureau the following proposals on the composition of committees:

Political Affairs Committee

Delete: Mr McDonald, Mr Rivierez.

Add.: Lord Castle, Mr Mitchell, Mr Stewart, Lord Gladwyn.

Legal Affairs Committee

Delete: Mr Springorum.

Add.: Sir Geoffrey De Freitas, Sir Brandon Rhys Williams.

Committee on Economic and Monetary Affairs

Delete: Mr Berkhouwer, Mr Dykes, Mr Vetrone.

Add.: Lord Ardwick, Lord Gordon-Walker, Mr Prescott.

Committee on Budgets

Delete: Mr Vernaschi.

Add.: Lord Bruce of Donington, Mr Dalyell, Lord Bessborough.

Committee on Social Affairs and Employment

Delete: Sir Brandon Rhys Williams.

Add.: Mr Howell, Mr Prescott, Mr Stewart.

Committee on Agriculture

Add.: Mrs Dunwoody, Mr Hughes, Lord Walston, Mr McDonald, Mr Marras, one seat for the Socialist Group.

Committee on Regional Policy and Transport

Delete: Lord Bessborough, Mr Marras, Mr Scholten.

Add.: Mr Ellis, Mr Evans, Mr Hamilton, Mr Osborn.

Committee on Public Health and the Environment

Delete: Mr Jakobsen, Mr Marras.

Add.: Mr Evans, Lady Fisher of Rednal.

Committee on Energy, Research and Technology

Delete: Mr Guldberg, Mr Martens, Mr Knud Nielsen.

Add.: Mr Dalyell, Mr Ellis, Mr Hamilton.

Committee on Cultural Affairs and Youth

Delete: Mr Howell, Mr Terrenoire.

Add.: Mrs Kellett-Bowman, Lord Ardwick, Lady Fisher of Rednal, Mr Mitchell.

Committee on External Economic Relations

Delete: Lord St. Oswald, Lord Bethell, Mr Krieg.

Add.: Mr Scott-Hopkins, Mr Barnett, Lord Castle, Mr Dykes.

Committee on Development and Cooperation

Delete: Mr Schwörer, Mrs Kellet-Bowman, Mr Osborn, Mr Broeksz.

Add.: Miss Boothroyd, Sir Geoffrey De Freitas, Lord Walston, Lord St. Oswald.

Associations Committee

Delete: Mr D'Angelosante, Mr Scott-Hopkins.

Add.: Mr Barnett, Mr Hughes, Mr Jakobsen.

Committee on the Rules of Procedure and Petitions

Add.: Mr Berkhouwer, Mr D'Angelosante, Mr Krieg, Mr Martens, Mr Memmel, Mr Brøndlund Nielsen, Mr Rivierez, Mr Schuijt, Mr Vernaschi, Sir Derek Walker-Smith, seven seats for the Socialist Group, one seat for the Christian-Democratic Group.

Are there any objections?

These appointments are ratified.

7. Draft treaty amending certain financial provisions of the Treaties

President. — The next item is the joint debate on the report drawn up by Mr Lange on behalf of the Committee on Budgets, on the draft treaty amending certain financial provisions of the Treaties establishing the European Communities and of the Treaty establishing a single Council and a single Commission of the European Communities, presented by the Council: budgetary procedure (Doc. 166/75); and on the report drawn up by Mr Aigner on behalf of the Committee on Budgets, on the draft

President

treaty amending certain financial provisions of the Treaties establishing the European Communities and of the Treaty establishing a single Council and a single Commission of the European Communities, presented by the Council: establishment of a European Court of Auditors (Doc. 167/75).

I call Mr Lange.

Mr Lange, rapporteur. — (D) Mr President, ladies and gentlemen, this is the second revision of the Treaties proposed during the past five years in order to give Parliament more budgetary powers. This second revision has been discussed between the Council and Parliament under what has been called the conciliation procedure. It has produced certain results which the Council sent to Parliament in a letter of February this year for its consideration, examination and opinion.

It may be noted from the start, ladies and gentlemen, that what the Council proposed does not agree entirely with the views of the delegation which represented Parliament at that time. We know that the President of Parliament and the chairman of the Committee on Budgets at that time made great efforts, together with other Members, to assert Parliament's views. I may add that the Commission seriously tried to comply with Parliament's wishes. Only, the Council decided otherwise.

In this context, I remember what was said here in November 1973 by a head of government about the role and position of this European Parliament in the framework of the Community institutions: he said Parliament should really be involved in a continuous revolution. Honourable Members, what we are doing here is perhaps not a revolution, but it is an attempt gradually to invest Parliament with greater powers in budgetary policy and control of implementation of the budget. Parliament cannot achieve this alone. It is dependent on the Council, and on the overall legislative procedure, i.e. on the Commission too.

Nevertheless, it seems Parliament must draw the appropriate conclusions from the experience it has gained over the years, not just during this consultation on the second revision of the Treaties but also this spring, in different circumstances. This, Mr President, is reflected in the report. We supplement the Council's proposals in five cases—or four really, in terms of substance. Moreover, given our experience from the conciliation procedure in April this year concerning the first and second supplementary budgets, we lay down certain requirements that must be met in order to give Parliament the requisite budgetary powers.

Parliament has been warned again and again from various quarters. It was warned not to go beyond the Council's proposals, because otherwise the Council might be annoyed. It was warned to content itself with those proposals and not to demand any further conciliation or action on the matter because then it might gain nothing at all. I must say, those who made these comments may have meant well. But such words have a bitter aftertaste, in fact they smack of blackmail, i.e.: Parliament, be humble, and if you behave properly, the Council will give you something. That is no way to advance the democratic institutions and meet the associated needs in this Community. Commission and Council, and Parliament too, should know this and make it very clear.

I would like to add something else. We have no interest in delaying matters, simply because we want greater powers. However, the Council, as stated in its document of February this year and earlier, must then also fulfil its promises towards Parliament, and in this case express its resolve to pursue the further development of Parliament's rights together with Parliament and the Commission in such a way that these greater powers become reality within an acceptable time. I think that if we look at the situation of national parliaments vis-à-vis European legislation, in particular vis-à-vis European financial and budgetary policy, it becomes clear that national parliaments no longer have any control over large areas of policy in this sector. In that respect it is essential that this Parliament, this single common Assembly of the Community, is granted those rights, so as to achieve real democratic control over the quasi-executive, i.e. the Commission, and also in a sense over the Council which of course performs mixed functions and not only legislative ones.

Our appeal, if I may express it so modestly, is that the Council should accept what we have said in our report on general provisions to increase budgetary powers. Mr Aigner will be speaking about the Court of Auditors. If the Council feels it cannot accept these things at this moment because of certain circumstances in its own sector which led to results which do not seem satisfactory to Parliament, then the Council, if it believes it must maintain its own position at this moment, should at least commit itself vis-à-vis Parliament—and the same applies to the Commission because it too must play its part here—to begin talks immediately after the adoption of our decision on that part which it considers balanced and accurate—I am deliberately saying 'talks' and not conciliation or consultation—in order to consider how to proceed, whether perhaps the Treaties need further revision or whether perhaps one or other of

Lange

Parliament's proposals can be implemented by means of agreements between the institutions.

This is not stated explicitly in the report, but we agreed in committee that the rapporteur should put this forward so that the Council cannot use the report as a pretext for deferring these matters which Parliament considers important to a date which is unacceptable to Parliament.

Mr President, since the report gives the historical background, if I may call it that, I do not think I need refer to it in detail here. I would merely like to give the main points—since speaking time is limited—with which Parliament is concerned and which do not coincide with the Council's views.

We agree with the Commission, and have learned from experience in the most recent discussions, that recourse to borrowing must be included in the budgetary procedure. Here we are in disagreement with the Council. But the Council must know that Parliament considers itself committed to have control over all methods of financing Community expenditure. In that sense borrowing as a financing method should also come under Parliament's control.

Moreover, the Committee on Budgets, like the parliamentary delegation too, during the conciliation procedure with the Council, considers that the other part of the Community's own resources which should have accrued since 1 January 1975, i.e. a certain portion of net turnover tax, should also be incorporated in the budgetary procedure, on condition that the binding rate is fixed practically at the end of the budgetary procedure, while at the beginning of that procedure the Commission should inform us as a kind of guideline of the rate it considers necessary. This must also be included in the Treaty.

Then there are other provisions which the committee believes cannot remain as laid down by the Council. Wrongly in my view, the term 'majority overruled' is used here. The Council makes things easy for itself: if it wants to reject proposed amendments from Parliament on the basis of 'I shall simply take no action', then it, or parts of the Council, can back out, and there is no real opinion-forming procedure in the Council. Unlike the Council, this Parliament considers that if the Council does not want to accept a proposal of Parliament, it must reject it expressly. It must form an opinion. Anything else is a shirking of responsibilities. The Council should consider this. Conversely, if nothing is said, that implies agreement. That is an old rule of all democratic decision-making. Why should a democratically unacceptable exception be

made here for the Council's conduct vis-à-vis Parliament?

A final critical point remains, which may perhaps seem a little specious to some Members. In committee we were aware that in the budgetary procedure, if Parliament agrees with the Council, Parliament does not require a special qualified majority but agreement may be established by simple majority. But provision must also be made for non-agreement between Council and Parliament and we must establish a rule, considering the responsibility in the overall budgetary procedure in terms of budgetary and financial policy, even if this involves a risk for Parliament—a rule which if necessary can also lead to a decision. That is why in connection with fixing a new annual rate of increase for non-compulsory expenditure—and I quote, because this seems particularly important—we say: 'If there is not agreement between the Council and the Parliament'—now the important part—'the new rate shall be fixed:—by the Parliament, acting by a majority of its members and three fifths of the votes cast'—as in our old procedure on such occasions—'or by the Council acting unanimously with no abstentions'.

That means that either Parliament has the final say or the Council, if it unanimously disagrees with Parliament, must decide unanimously, but a decision must in all circumstances be taken.

Each person may decide for himself how great the risk is of achieving unanimity in the Council with no abstentions if it disagrees with Parliament. I cannot imagine, in regard to the further increase of this Parliament's budgetary powers and its ensuing control to make up for the lost control powers of national parliaments over their own governments in this sector, that the Council members would always be unanimous in disagreeing with Parliament's views. Moreover, in the Council, one vote would outweigh eight others, even if there were only one abstention, to take an extreme example. So, honourable Members, we should not fear this risk.

These then are the demands which go beyond what the Council has proposed to us. I would like to mention a few other points, Mr President, at risk of exceeding my speaking time. We must give a little time to such an important subject, over and above the fifteen minutes which we cannot keep to.

If you look at the motion for a resolution—which I shall not discuss in detail, you will notice a certain structuring. Section I concerns the ongoing process of increasing Parliament's budgetary powers, Section II the progress to be

Lange

made in the context of this revision of the immediate future. That is the section that goes beyond the current revision of the Treaty. In this context, as noted in paragraphs 21 and 22, Parliament must state clearly that we are not only concerned, as a President of the Council once implied, with the right to increase expenditure but also with forming revenue and if necessary cutting expenditure against the views of the Commission or Council. So the idea should not be spread that Parliament is just a spending machine and interested only in costs. I think this Parliament is aware of the current stage of development, i.e. of the general world economic and specifically European economic situation; it is also aware of the financial consequences of this development and of its duties and responsibilities in this connection.

I think we must finally discard the myth that Members are only interested in expenditure, as a President-in-Office of the Council once felt obliged to say. This statement provoked controversy at the time. I shall not ask how spendthrift national governments are, or how spendthrift Council members are. If such assertions are made about Parliament, I would like to reply with a German proverb: Let everyone sweep his own doorstep, or, as I have heard whispered here: People who live in glass houses shouldn't throw stones. One thing is sure: this Parliament does not want to be a mechanism for increasing expenditure but an instrument to ensure sensible budgetary and financial policy, on the basis of careful and stringent budgeting. In other words we must not only talk with the Council on own resources from VAT but also, as mentioned before recently, on how to mobilize further own resources besides financing from customs duties, levies and ECSC contributions; moreover we want to improve the conciliation procedure so that the Council does not consider itself in control of this procedure or boss of Parliament but to ensure talks between two equal partners. That is what paragraphs 23 and 24 refer to.

Moreover, we consider the artificial and ambiguous distinction made between compulsory and non-compulsory expenditure most unfortunate. Any attempt to systematize this distinction leads to constant problems. In that sense it seems right to follow the proposals made partly by the Council and the Commission of answering such questions individually, with the aim however of eventually abolishing this curious distinction forever.

Honourable Members, those are the areas where we go beyond the Council's proposals. In respect of what I said earlier about the Council's procedure, may I say that we consider it important to resolve these matters between

Council and Parliament by 31 December 1976. That gives us 1½ years and I think much can be discussed in that time. We need not be overhasty, each Institution will have time to consider all matters in depth.

Mr President, although I have exceeded my speaking time, these are the matters I considered it important to deal with here so that those of our Members who are present at this sitting can understand and support us. Each individual must know what the question is. If I have not made myself clear to everyone, this will come out in the debate. Thank you for your patience and I hope Parliament will support the Committee on Budgets' views.

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

Mr Aigner. — (D) Mr President, ladies and gentlemen, first I should like warmly to congratulate our rapporteur Mr Lange on his report. Undoubtedly our joint discussions have produced an integral viewpoint. May I also say, in congratulating Mr Lange, that in an exceptionally short time he has found his way exceptionally well through the rather difficult subject of budgetary powers. For that too I express thanks on behalf of my group.

Mr President, we have never left any doubt that our aim is to achieve an institutional balance in the Community acting as a budgetary authority with the same powers as the Council. Having noted this, may I also reject a suggestion in the Council text which I consider most incomprehensible, namely that our concept and our proposals would distort the institutional balance. We do not have this balance and want to create it. There will be a balance in the Community in budgetary matters when it is not the officials who decide what is or can be done at European level. When ministers, who are overloaded with work at home, travel over for a few hours to work there and cannot acquire the necessary detailed knowledge, they are at the mercy of the officials. I state this clearly, because it becomes apparent again and again. My remarks primarily refer to an 'institution' which is not provided for in the Treaties, the so-called Permanent Representatives.

There will only be an institutional balance when the Members, who have to stand for election every four or five years, have the last say, together with the representatives of the Member States, who agree to be bound by this vote.

Mr President, speaking personally at least, I may say that we have great respect for the officials who are generally fully committed to Europe,

Aigner

have a great deal of expertise and very high qualifications. I have great respect for their work and its quality. But the public and this House and the Institutions must take note that we can only achieve further progress in the integration of our Community if we make up the democratic deficit and create a fully viable parliamentary instrument which—and this is surely the sense of the parliamentary system,—is capable of exercising concentrations of power at the level of the European Community, but can also replace these concentrations of power. Surely it is unthinkable that the national parliaments can delegate power for an unlimited time to officials appointed for life. No, this power must be appointable and dismissable, and for that you need the instrument of Parliament.

Mr President, sometimes one feels that fear of this unknown being, the European Parliament, is greater than the desire for progress. I too must, of course, admit, that this unknown being still represents a question-mark for us all, for a Parliament with the necessary powers may develop in a manner inconceivable to us at present. If I think of some structures, and perhaps of my Communist colleagues, I realize that one can of course feel some concern. But what would really happen, Mr President? Surely nothing except that the present discussion, the present political debate, which takes place almost exclusively in the Council, would shift to parliamentary level. In both Institutions, Parliament and Council, the same problems, the same differences of interest and probably the same arguments would arise as now do at Council level alone. But certainly there would be a difference if Parliament was a legislature and budgetary authority with equal powers. Then the discussion would no longer be held within four walls and the Community would need become more dynamic.

The legitimacy of the European Parliament lies in the mandate it was first given by national parliaments to promote the European Community. That is its task. That is what it does here.

This is not so obvious in the case of a member of the Council, although the Council of Ministers is a Community Institution. Its legitimacy and its interests have a more national orientation. That is why we need a certain tension between the two Institutions, Parliament and Council.

The discussion would be public, it could be analyzed by our peoples and subject to their political will. With a two-chamber structure of this kind Europe would gain more strength in the minds of the European public.

I shall not enter into the individual problems which the rapporteur has discussed in detail, because of the short time left. My group entirely shares the views of the Committee on Budgets and the rapporteur.

However, I would like to say something on four points. First the Community loan system. If the Council does not comply with our request that the Community loans should be conceived as a whole and clearly come under the budgetary authorizing procedure, I think it would be impossible to find a viable alternative for the future. At a time when new operative aims are becoming increasingly urgent—I mention only energy, conjunctural and research policy—it is essential for the Community itself to mobilize the capital market.

My second remark concerns fixing the annual rate of VAT. The only natural counterpart to the national parliaments when fixing the financial contributions of the Member States and the Community is the European Parliament. These two sides must find a compromise between the national requirements and those of the Community. It would be simply incomprehensible in the long term if parliamentarians on the one side and officials on the other fought over this financial concept. The legitimacy and identity of European activities must also depend in day to day matters on the vote of the people.

A third remark concerns the annual rate of increase. We have always believed that the Communities' new activities could not be subsumed under a statistically determined rate of expenditure. With current practice we find ourselves in a rather odd situation. For if we arrested the development of the Community and Parliament here and allowed no new operations, our financial scope for action in the budget authorizing procedure would be greater than if we wished to further develop the Community in dynamic fashion. Since as a rule new operations require a new maximum rate, the Council, if it did not agree with us, could block us with the first statistical maximum rate—in its opinion at least. It goes without saying that we would never be content with that interpretation of the Luxembourg Agreement. Unfortunately that agreement was conceived for fair weather conditions, not for future storms. If, and I say this very seriously, this Parliament wants to lay down a common denominator for its own rights, it will have to have recourse to other means, which perhaps no longer comply entirely with the Treaties. Then it will become clear, if Parliament's resolve is formulated in that manner, how far the various groups have retrogressed already in order to support national majority govern-

Aigner

ments. May I state clearly that my group, for whom I speak, is in favour of a very wide-ranging interpretation of the Luxembourg Agreement, in terms of the maximum rate too. This group will always consider itself a promoter of the European Parliament's budgetary powers.

May I make a final remark. When the conciliation procedure is carried out, in terms also of deciding on a new maximum rate, we maintain our old demand which we expressed in the resolution of 5 October 1973, and which the majority of this House also agreed on. I am glad that the rapporteur, Mr Lange, left no doubt from the start that he supported this resolution of 5 October 1973.

So the Council should have the last word if there is conflict with the Parliament. But if Parliament is asked to take decisions by a vote of three fifths of the votes cast and a majority of the votes of its Members, such overwhelming majority decisions by the peoples' representatives cannot be overridden by low Council majorities. Here we still firmly demand, as before, unanimity in the Council to override such a majority decision by Parliament. If in future an official—as has unfortunately happened here quite often—describes this demand as upsetting the balance of the Treaties, we must accuse him quite openly of having no democratic awareness.

Mr President, I confine myself to these few remarks and say that we are all pleased that we have found common approval in all groups—except, as I have heard, the Communist and Allies Group—for this report, I hope it will be adopted.

(Applause from the Christian-Democratic Group)

President. — Mr Aigner, do you wish to present your report on the establishment of a European Court of Auditors now?

Mr Aigner, rapporteur. — (D) May I make one remark to start with.

Your Committee on Budgets appointed two rapporteurs for the draft treaty amending certain financial provisions of the Treaties and for establishing a European Court of Auditors, not because we wanted to separate these matters but purely for reasons of rational working methods. In no case may this, Mr President, be interpreted to mean that Parliament would be content with the fulfilment of only one part of this draft treaty and our proposals. So we do not wish to separate the two matters under consideration but to adopt them jointly in spite of the fact that there are two rapporteurs.

Mr President, as your rapporteur for this matter I shall now resist the temptation to describe the great efforts made by Parliament to achieve this European Court of Auditors. We have submitted to the interested public a special report in the book 'The Case for a European Audit Court'. Today I am grateful to Council and Commission that they have approved our idea on the whole, namely in respect of independent examination of the political activities of the Communities. No doubt public opinion in the Member States was a considerable help here.

May I also thank Commissioner Cheysson. Although this is always a delicate task, he supported not only internal supervision but also the demand for external supervision of some kind in our joint discussion in a way that was not necessarily to be expected. Very many thanks!

I would also like to thank the chairmen of the national audit offices with whom we had several hearings and, despite the problem of the different structures in the national audit offices, reached almost complete agreement.

May I in this context say a word about the relationship between external supervision by a European Court of Auditors and internal supervision by the European executive. The more viable internal supervision is, and the more transparent its results are for a court of auditors, the less need there is for the external control to be powerful and to examine in detail. But the less internal Community supervision there is, the stronger the external supervision will have to be. I say this also because I am thinking of the frauds by irresponsible economic elements in the Community which have been much discussed by the public. Only if there is an uninterrupted network of internal and external supervision will the shockingly high level of hidden frauds be reduced. Even more important, however, is that the results of the external examination will lead to a harmonization of European law in terms of national Member States too.

I consider these tasks even more important than the fight against frauds. The crux of the matter should lie in the initial phase of a European Court of Auditors. It would not only, if I may speak jokingly, finance itself, but even help save a few hundred million units of account of the Community.

Let me express our view of the main aim of the Court of Auditors as follows. The main aim of this control should not be punitive but constructive. It should help the budgetary authority and the control authority to correct the lacunae which are sometimes also found in

Aigner

budgetary decisions. May I state a second principle, where we agree entirely with the Committee on Budgets. Control by a European Court of Auditors does not mean partially shifting the responsibility of one Community Institution to the auditor. Political responsibility has its own laws and requirements. Even if auditing is seen purely as a means of information and as a method of making the procedures transparent, it cannot take the place of political decisions. Faith and cooperation and mutual willingness to provide information are the pre-conditions for harmony between the auditor and the Institution.

After the discussions we have held, the Committee on Budgets and this Parliament take the view that under pressure of public opinion the political will of the Council coincides with that of the European Parliament on the establishment of a fully independent auditing body. That is why, Mr President, we are happy to note that the draft Treaty tries, firstly, to guarantee the proposed European Court of Auditors full independence. So that there are no doubts, we have formulated this very clearly in the text. Secondly, the proposed Court of Auditors must be able to perform on-the-spot checks in the Community Institutions and the Member States. Thirdly, the proposed Court of Auditors must have the right to demand all documents or information from the Community Institutions and the national audit offices that are necessary for it to perform its duties.

Our detailed proposals aim only at incorporating our ideas more clearly in the Treaty than we think they were before.

Let me mention a few more points. I think I have a few minutes left. It is well-known, Mr President, that the present version of the draft treaty, under which members of the Court of Auditors are appointed by the Council after consultation of the Assembly, represents, even in the eyes of the Council, a wide-reaching concession to Parliament.

Mr President, may I make a personal remark to the Council. The Council should finally accustom itself to describing Parliament as the Parliament and drop the term 'Assembly'. I think we have gone beyond the founding period of the European Parliament. If it takes its duties seriously, a Parliament, Mr President, must insist that it is not only bindingly consulted but also has the power of co-decision in the appointment of members of the Court of Auditors.

This demand can also be justified in that the main task of the Court of Auditors is to prepare by its controls and activities the annual

discharge for which Parliament alone should be responsible after the present Treaty revision has entered into force.

With respect to the appointment of members, the election of the president and the activities of the members of the Court of Auditors, may I, Mr President, refer to the written report.

For inexplicable reasons—and this is my final comment—the draft treaty does not allow the Court of Auditors an equal status with the other Institutions. Your rapporteur, Mr President considers it essential to support the work of the Court of Auditors by guaranteeing its full independence vis-à-vis the Institutions it is to supervise. That also means granting it the status of a fully independent body.

Mr President, we have a very clear conception of this body which does not greatly differ from that of the Council. Yet I would like to say to the Council that it must fulfil the few demands we make so that we do not enter into conflict. I am convinced—as I have also noted in very many articles in the press in all Member States and in discussions, and in hearings with the presidents of national audit offices—that we have full support of public opinion.

I would be grateful to the House if it adopted this report, or part of this report, by a majority; it was unanimously approved by the committee.

President. — I call Mr Kirk.

Mr Kirk, *draftsman of the opinion of the Political Affairs Committee.* — I think that I can be fairly brief because the view of the Political Affairs Committee, which I have been entrusted to put forward orally today, coincides, on the issues that concern it, very closely with that of the Committee on Budgets as laid out by Mr Lange and Mr Aigner. As I have the privilege of being a member of both committees, I have been able to follow the discussion with them through two long years since we first sat with Commissioner Cheysson—almost two years to the day—discussing these problems. It has been a fairly long and weary trail, and I cannot say that we can claim to have come to the end of it yet. But I think that we have now reached the stage at which we can at least try to apply the provisions which the Council has presented, although I agree with Mr Lange that we must also work for greater powers, particularly in respect of the matters covered by his part of this joint debate, as soon as we can.

The Political Affairs Committee is concerned basically with the Institutions and not with the workings of the budget, and has three points to underline which have already been made by

Kirk

both rapporteurs. First, there is the question of partial rejection. From the start we had maintained that Parliament should have the right to reject parts of the budget as well as the whole of it. The Council has consistently refused to allow us this right, although I remember that on more than one occasion the Commissioner has, by an ingenious form of words, suggested to us that we did have that right. I have always doubted whether that was so. Certainly we have it in respect of supplementary budgets and non-compulsory expenditure, but I have a feeling that this is really playing with words. Whether it would make an enormous amount of difference if we had it I am not so sure.

The trouble is that we have once again been given a nuclear weapon instead of a tactical one, as we were in the case of the vote of censure against the Commission. It is very unlikely that Parliament would reject the whole budget, although there could be cases when it would like to reject part of it. We share the disappointment of the Committee on Budgets that this problem has been left unresolved, and we hope that in the next round of discussions, after this is taken up, we shall come back to this point.

Secondly—Mr Lange went into this in detail, so I shall not take up much time—there is the question of the inverted majority. I know that Mr Lange does not like that phrase, but I cannot think of a better one. It is clearly wrong that this system should be maintained. It is clear that in the future the Council must be persuaded to abandon this way of doing its own business, which is not only undemocratic but inefficient.

Finally, I come to Mr Aigner's report and on the question of consultation with the Assembly—something for which the Political Affairs Committee has been asking not only in this context but in the context of the appointment of Commissioners.

We would of course have liked to see the word 'approved' rather than the words 'after consultation'. I hope that the time will come when the approval of the Assembly will be needed not only for the appointment of members of the Court of Auditors but also members of the Commission. However, consultation will do for the time being.

We think it highly unlikely, as Mr Aigner has pointed out, if the Council submitted to us a list of names for the Court of Auditors and we were to say that Mr Smith was wholly unacceptable to us, either that the Council would proceed with the appointment of Mr Smith, or, if they did, that Mr Smith himself

would feel able to take his seat in the Court of Auditors.

I therefore suspect that in practice consultation will mean approval, although it is perfectly true that in the legal sense this is not the case.

I wish to make two other points. First, when the Commissioner replies to the debate, could he explain the significance of the procedure which we are using in this case? I believe it was also used in 1950 when presenting a new treaty instead of proceeding solely on the basis of Article 236. It is an unusual procedure because Article 236 exists and presumably in any case these proposals will have the same effect as if they were used under Article 236. I wonder whether the Commissioner can explain the distinction.

Secondly, we in this House must make preparations for the new procedure. In particular we have to make preparations for the consultations over the membership of the Court of Auditors. Presumably it will be through the Committee on Budgets. We must also make preparations for the public accounts procedure which we have been calling for now for over a year and which will have to function in relation with the Court of Auditors itself. Assuming, as I suppose we must, that this will come into effect some time in the course of next year, it is about time we started considering how we will work this new procedure. I hope that the Political Affairs Committee and the Committee on Budgets jointly will be able to submit proposals to the House to that effect fairly soon.

Having said that, I think that I have discharged my duty to the Political Affairs Committee. We warmly welcome the reports of Mr Lange and Mr Aigner. We share their disappointment where it is expressed but share also a certain satisfaction that slowly, although far too slowly, this Parliament is gaining its budgetary rights. *(Applause)*

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

Mr Berkhouwer. — *(F)* Mr President, on behalf of my group I should like to make just a few comments on the draft treaty revision on the establishment of a European Court of Auditors.

I get some personal satisfaction out of this since, from the time I became a member of the European Parliament I have recommended the establishment of a real Community Court of Auditors instead of the Audit Board we had. The power to vote on the budget does not become completely meaningful unless it is

Berkhouwer

accompanied by the power and the means to control the implementation of the budget.

I have reread Mr Spénale's sentence with a great deal of attention. The European Court of Auditors whose creation is today being proposed is in fact the institution which must exist if the European Parliament's budgetary powers are to be increased in general. It is the corollary of the right it is proposed to give Parliament alone as regards discharging the Community's accounts.

To prove the truth of this, I should like to quote the text of a decree from almost 150 years ago. I found this text in a recent report by the Belgian Chamber of Representatives on the amendments made to the rules of procedure of the Belgian Court of Auditors :

'The Court of Auditors shall have rules of procedure which it shall submit as soon as possible for the Congress's approval. These rules may not be altered without the assent of the Chamber of Representatives.'

This provision is interesting in two respects. Firstly, it shows that parliament has jurisdiction over all matters concerning the creation and functioning of the Court of Auditors and, secondly, that the Court of Auditors was already functioning even before the Belgian constitution was adopted on 7 February 1831.

In the European Community, the need to create a Court of Auditors that would enable the European Parliament better to control Community finances and to give a discharge on the accounts is a principle that need no longer be proved.

I should like to mention briefly that in 1975 the budget of the Communities amounts to six thousand million units of account which is in itself a major political event. The fact that the budget includes contributions from the Community's own resources and that it is Parliament that finally adopts the budget are two decisive arguments in favour of the creation of a Court of Auditors.

It should be remembered that as far back as 1964 Parliament proposed the creation of such an institution. The draft treaty before us is thus the end product of an old claim.

I should like at this point to give Mr Aigner full credit for the single-mindedness he has always shown in his attempt to achieve the greatest possible transparency in European public finance.

I should also like to remind you of his publication entitled 'The Case for a European Audit Court'.

Today, Mr Aigner and the Committee on Budgets are proposing that we should adopt a resolution in which Parliament declares itself firmly in favour of the creation of the Court of Auditors.

I give it the full and unconditional support of the Liberal and Allies Group. My group particularly supports the principle of the independence of the court. This principle should be made explicit, and the text of the Treaty should emphasize the Court of Auditors' freedom to act vis-à-vis national audit offices.

There should be no question of the national audit offices forming a screen between the European audit institution and the bodies that control and manage the Community's funds for the purpose of distributing them. If this were the case, the Court of Auditors would be nothing but a facade whose only purpose was to give us a good conscience.

Nevertheless, such independence should not make the future Court of Auditors lose sight of the fact that it must exercise effective control and at all times seek as far as possible to collaborate with national institutions.

Such collaboration can only be to the benefit of the Community as a whole. It is with this in mind that my group agrees to the amendments tabled by the Committee on Budgets to Article 4(3) and other related articles of the EEC Treaty.

My group feels that it is important for audits to be carried out immediately by the Court of Auditors itself on all income and expenditure and not only of accounts submitted by others long after the operation has been completed.

I should now like to turn to the amendment tabled to Article 206(4), whereby members of the Court of Auditors would be appointed by the Council in agreement with Parliament. We have already discussed this.

The Council rejected this amendment, claiming that the assent of Parliament was not provided for in the Treaty and that in any case even if the agreement or assent of Parliament was not expressly mentioned, the Council would still take account of Parliament's opinion of the nominations made.

My group feels that the Council's argument is rather weak. Parliament's agreement is already required under Article 203(8) of the Treaty when it comes to fixing a new rate of increase in expenditure. The argument is thus not well-founded and it is difficult to see in these circumstances why the Council would refuse to put in writing what it is prepared to do in fact.

Berkhouwer

The Council's attitude at least shows us that that is its way of confronting Parliament with a refusal which, throughout the revision of the Treaty on new budgetary powers, has taught us an important lesson.

We can conclude from such a refusal to formally include some new texts in the Treaty that, when members of the Commission of the Communities are nominated, the Council will also take the greatest possible account of any opinion the European Parliament might express.

On behalf of my group, I should like to adopt a position on the advisability of having the texts relating to the Court of Auditors ratified independently of the modifications proposed to the budgetary procedure. The connection we are trying to establish between the two parties depends largely on one's political assessment of their importance. It has to be said that the draft treaty before us extends Parliament's budgetary powers only marginally.

What I want to stress is that the main point deals almost exclusively with the creation of a Court of Auditors. In the circumstances it is difficult to see how the provisions taken as a whole could create difficulties of ratification in the Member States since the general consensus is in favour of the creation of a European Court of Auditors.

Lastly, I should like to take this opportunity to tell the Council how pleased I was to be able to lead the delegation from the European Parliament which on two occasions, 25 June and 14 October 1974, was received by it for a very free and open discussion of the various problems connected with the final formulation of the draft treaty.

May I say here that it is from such fruitful contacts with the Council of Ministers and from the tenor of the draft treaty submitted for our approval today that I find reason for satisfaction and future hope that it will be possible to make further progress in the construction of Europe and in the strengthening of the powers of the European Parliament.

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

Mr Shaw. — We have before us two very important reports proposing amendments to the draft treaty. Because we take our duties seriously in this House, it is right that we should examine them with considerable care, and that is what we have done. We have spent a long time in the Committee on Budgets and other committees examining them. Above all, two of our most

distinguished colleagues have put in very valuable work to produce their two reports. I agreed with all their work and joined them in passing the reports through the Committee on Budgets.

It may well be asked why, then, I have put down two amendments. I assure my colleagues that I have not done so because I have changed my views. In my experience politics are often a matter of judgment of priorities. Ever since I came on to the Committee on Budgets I have made no secret of the fact that at the top of my priorities has been the creation of an independent Court of Auditors as quickly as possible.

Until such a court is developed, and its authority has been established, not only the Community's purse but its good name and reputation are wantonly at risk. Everything we seek to do by way of achieving union, by way of growing closer together in our political, social, regional and economic policies—that is, everything aimed at strengthening our Community—depends on a growing respect within our member countries and in the rest of the world for the Institutions and the conduct of our Community. Nothing can do more damage to the growth of that respect than evidence that we cannot manage our affairs well.

To that end, because we have already seen the risks that we run in certain respects, we must ensure that the Court of Auditors is set up as soon as possible—if possible this year. It is necessary on the general grounds that an adequate audit of EEC affairs should be quickly established. In addition, as a member of the Committee on Budgets, I feel that being able to call upon it to attend our meetings whenever we wish will greatly enhance the work of the committee.

So the position is clear. The reports have been drawn up by my colleagues as rapporteurs and have rightly been approved by the Committee on Budgets. The reason for my two amendments is that I have become anxious that, if the Council finds that it cannot accept all our proposed changes, some conciliation procedure may be brought into play, or at any rate other delays will occur.

This could well mean that the setting up of the Court of Auditors might be delayed certainly until next year and, who knows, perhaps longer. I therefore ask myself, is there no way in which we could establish and proceed with all that is agreed in the Council's proposals, including the setting up of the Court of Auditors, at the same time ensuring that the proposals that we have worked so hard to prepare will not be lost? I

Shaw

had hoped that the Council would do this here and now, but it looks doubtful whether we will hear from the Council this morning, although I hope I am wrong. It would have made that much more difference if we could have an assurance that, if my amendments are carried, the Council would honour the request contained in my amendment, namely, that if we accept their present text, they would immediately begin the next revision, taking as the basis the proposals that we put forward in the annexes of the two documents concerned.

This would ensure that we can immediately get ahead with what I think is by far the most important section of these documents. It would also be shown by their assurance—and I am sure it will be forthcoming if we demonstrate goodwill by adopting my amendment—that further amendments will come into being on the lines suggested in the annex. It would mean not only that but also that we could produce further arguments and amendments that we may in the future feel to be necessary.

In parenthesis, may I say that the opinion of the Legal Affairs Committee, which has not been asked for officially on this occasion but on which I understand work has none the less been done, could also be drawn into consideration.

Those are my reasons for putting forward the amendment. I make a plea to the Council, whether or not they are in a position to respond today, to follow up that suggestion as quickly as possible if my amendments are accepted.

My second appeal is to my two colleagues Mr Lange and Mr Aigner. As they know, I honour them for the work they have done and the skill they have shown in preparing the documents that we have so wholeheartedly approved. Nevertheless, I ask them in all sincerity, whether we are not facing a new situation if we can get a settlement of all that has been agreed between us and the assurance that new negotiations will start again? That will ensure that the way is clear for setting up a Court of Auditors at the earliest possible moment.

I further ask the Council whether they will not make use of my amendments as a means of making the progress that we so much desire. I assure them I am not trying in the amendments to criticize or cast doubt upon the work that they have done. Indeed, I have supported it and continue to support it. But I beg them not in any way to put at risk the early setting up of the Court of Auditors.

Finally, may I say that I put these amendments forward solely to try to help? I hope that my words will be considered in that light.

(Applause)

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

Mr Liogier. — (F) Mr President, ladies and gentlemen, it is with much satisfaction that the Group of European Progressive Democrats notes the progress made towards strengthening the budgetary powers of the European Parliament as a result of frank and fruitful cooperation between the Institutions and especially the efforts of our rapporteurs whom we thank for their excellent work.

I think we should appreciate highly the spirit of dialogue which has made it possible for our Assembly to achieve such encouraging results. Of course there are differences and the European Parliament should not be content with the results achieved so far. The strengthening of the European Parliament's powers is a continuous process. It does not stop with the adoption of this report since we cannot hope to solve all our problems today.

Let us for a moment consider what has already been achieved. The conciliation procedure we all hoped for is functioning quite satisfactorily and although there are some defects, it will not be long before we remedy them. It has already produced some tangible and notable results.

We will soon have a Court of Auditors that conforms closely to our requirements. The budgetary procedure, even if it is not wholly satisfactory to us, represents a solid achievement on the basis of which our Assembly will be able to pursue effectively the trend already started.

After a year and a half of conciliation with the Council, it is high time to consolidate what has been achieved and to confirm in the Treaties the initial rights accorded to us, which will provide the basis for future progress. One cannot build on sand.

Let us not deceive ourselves, however. Now, in the present state of European political resolve, we will not obtain any more. We should therefore take what we are offered but we should on no account refrain from asking for more.

We do not question the validity of the proposed amendments retained by our rapporteur. We fully endorse them. They should remain a basic objective, but that should not prevent us from thinking of going further, and it is precisely in order not to compromise the strengthening of not only our budgetary but also our legislative powers that we must be flexible and at the same time firm.

Liogier

The Group of European Progressive Democrats entirely agrees with the well-founded remarks of the rapporteurs. Mr Lange's and Mr Aigner's penetrating and noteworthy analysis cannot be disputed. It is not therefore on the objectives, which we are all striving after, that we disagree somewhat, but only on the choice of the methods to be used for obtaining them.

As regards the Court of Auditors, we do not for a moment doubt the necessity of affirming the legal principle of co-decision by the Parliament and the Council when appointing the Members of the Court of Auditors. That is certainly our common objective, and we congratulate Mr Aigner for his shrewdness.

Nor do we doubt that the text on the setting up of a Court of Auditors can be perfect. Let us not forget, however, that it is essential to create a Court of Auditors as quickly as possible. The lack of such a court is grievous and is detrimental to the health of Community finances and thus to our taxpayers. A decision should therefore be taken to create one.

As regards budgetary procedure, we fully support the objectives of the report by Mr Lange, and we appreciate his shrewdness as regards recourse to loans, inverted majority, and fixing of the rate of increase of expenditure, but we think it is now time to close the discussion on the first part of the revision of the Treaties and to start considering the next one and to open a new conciliation procedure for the purpose of further strengthening the budgetary powers of the European Parliament.

The amendments tabled by our group are thus intended to speed up the introduction of a first series of reforms and to prevent the reopening of a conciliation procedure for the whole text, which is the fruit of a year and a half of conciliation with the Council and which should be submitted as quickly as possible for ratification by the national parliaments.

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

Mr Artzinger. — (D) Mr President, ladies and gentlemen, after Mr Aigner has congratulated the rapporteur, Mr Lange, it my duty to thank the second rapporteur, Mr Aigner, also on behalf of the Group. Mr Aigner took great trouble over his report.

He made the question of auditing in the Community almost into a personal concern. We congratulate him that his efforts have led to such success.

We also thank him for the report on which he expended much effort. And we thank the Committee on Budgets for approving the report.

But let me say one more thing. We are all talking only of the European Court of Auditors. I think it would be appropriate to thank the Audit Board too, which has been performing the auditing so far. Highly competent men carried out this work, and there is no substantial reason that persuaded us to replace them by the Court of Auditors, rather the reasons were political, concerned with expanding the work which can only be done by institutionalizing the auditing. So we express particular thanks to the gentlemen from the Audit Board in this debate.

May I also inform you that my group will naturally support both reports.

(Applause)

President. — I call Mr Hamilton.

Mr Hamilton. — As a new Member of this Assembly, uttering my first few words, I hope that I shall speak with an appropriate degree of humility. With due modesty, I may say that although I am a new Member of this Assembly I have had a fair amount of experience of the problems of public accountability and the control of public expenditure in the United Kingdom for the last 20 years or so. We had all better remember the fundamental principles on which we work—that this Institution and every other Institution in the European Community is financed by the taxation paid by the working men and women throughout the Community and that every penny that has been spent is their money.

It may well be that my views on these problems, after just a week here, are superficial, or unfair, or even inaccurate. I apologize if my remarks contain any of these failures. But my immediate impression—I want to put it on record—is that there is a very disturbing lack of public accountability of any kind. There is virtually no control—or, at least, there is minimal control. Certainly in the United Kingdom and, I suspect, in other parts of the Community, there are feelings that there are gross abuses—not least in this Assembly—fraud and, let me call it, generosity.

I was very impressed by the opening speeches of Mr Lange and Mr Aigner. I was also very impressed by the remarks of my colleague from the Conservative Party in the House of Commons, Mr Shaw. Mr Aigner expressed the constitutional position of a Member of Parliament better, probably, than I could hope to do—

Hamilton

that is to say, the relationship between elected representatives, as we are, and the unelected bureaucrats.

In Britain we have a fundamental constitutional principle which, I expect, exists in the continental countries. I shall express it first in constitutional words and then put it in ordinary jargon. We believe in the redress of grievances before the granting of supply. In other words, we believe that we have a right to express the complaints of the people whom we represent before the cash is handed out.

Mr Aigner was quite right to say that public opinion in these matters can be of very great help, and is of supreme importance.

This Parliament is of no account unless we can get control and keep control of all aspects of public expenditure, and that, I feel, is the great constitutional fight that we have to embark on, and there can be no delay in its implementation.

(Applause)

I agree with Mr Aigner that we would like to call this a Parliament, but it is not yet a Parliament because we are not directly elected. I hope to live to see that day myself, but meanwhile, the fact that we are not yet directly elected is no reason why we should not pursue these matters and say to the civil servants and the bureaucrats that we are not going to tolerate any delay, that we want this control, that we insist on it and that thereby we can get rid of the suspicion of these Institutions that now exists, certainly in the United Kingdom and, I believe, throughout the rest of the Community.

I hope that I have not said anything unduly abrasive. It is in my nature, I am afraid, to be rather rough of the tongue. I am, however, a parliamentarian and a democrat. I believe that I represent ordinary people. They are paying for us to be here, and we should never forget that fact. We must never forget also that democracy can never survive unless the elected representatives of it control the purse strings.

(Applause)

President. — I call Mr Knud Nielsen.

Mr Knud Nielsen. — *(DK)* Mr President, I should first of all like to thank Mr Lange and Mr Aigner for the valuable work they have put into the two reports on Treaty revisions before us today.

I and those who think with me in the Danish Social Democratic party agree that this amendment of the Treaties is merely one step on the way towards further strengthening of Parli-

ment's budgetary powers. Having said that, I nevertheless stress that it is an important step forward that will to a large extent help to clarify and improve the existing rules.

Even although the Council proposal will not suffice in the longer term, it should be welcomed and accepted by this Parliament, especially as it contains some, if not all, of the amendments proposed by Parliament at a previous sitting. Here I am thinking particularly of the increase in budgetary control gained by setting up a Court of Auditors and the strengthening of Parliament's powers as a result.

I therefore feel that several of the proposed amendments that the report urges the Council to adopt go further than what there can today be said to be full political support for in the individual Member States—and this is something I feel is important. Even though we in the EEC obviously must work towards further integration and strengthening of the powers of this Parliament, I feel that proposals and ideas have been put forward that go beyond what we today consider to be necessary for ensuring that the EEC's budgetary and financial problems are settled in a justified and fair way. I have noticed that Parliament can only take the very serious step of completely rejecting the budget if there are important and sufficiently clear reasons for doing so. I agree with this and take it that, as stated in the President's letter of 29 November 1974 to the President of the Council, this implies that clear and explicit reasons, which should not be mutually incompatible, should be given in detail for any such total rejection.

Although I and those who think with me can to a large extent support the report, we feel that Parliament should clearly accept the Council's proposal without requesting further amendments which would merely lead to the fruitless reopening of previous discussions between the Council and Parliament.

In my opinion it is important not to forestall the current attempts to find a quick solution to budget problems in the fullest sense of the word through negotiations between the institutions concerned. Agreement between the Council and Parliament on a lasting solution to budget problems is in our opinion the best way of steadily improving integration in this sector.

We will therefore abstain from voting on Mr Lange's report, but we fully support Mr Aigner's report.

President. — I call Mr Dalyell.

Mr Dalyell. — After one and a half hours as a member of the Committee on Budgets, I share the humility of my friend and Scottish colleague, Willie Hamilton, because I realise that men such as Mr Aigner and Mr Lange and their colleagues have spent a great deal of time working for all of us.

Therefore, I confine myself to four questions. The first follows what Erwin Lange said about the need for reasoned disagreement. I should like to ask Mr Cheysson whether from the point of view of the Commission there is any reason why, when Parliament adopts a motion, there should not be at least reasoned disagreement, and why, in the words of Erwin Lange, silence should not be taken as agreement.

My second question concerns page 19 of Mr Aigner's report. We British have a great deal to learn from you, but perhaps I could say, again with a certain humility, that the Public Accounts Committee of the House of Commons, on which I have served, has been in existence for 105 years, and the Comptroller and Auditor General and his staff of between 500 and 600 have developed very sophisticated techniques of reporting to Parliament. May I ask this House and the Commission whether in the coming months they could consult with the British Comptroller and Auditor General with a view to setting up a public accounts system effectively responsible to this House.

My third question is detailed. I put it simply because it is urgent; time is not on our side. It concerns page 31, in the English edition of Mr Lange's report on the question of Euratom loans. If there is to be a borrowing requirement, must we not urgently ask the governments of Western Germany and Britain what coordination there will be on a common industrial nuclear policy? I speak with some modesty in the presence of Mr Flämig and others who have studied these matters. But I repeat that time is not on our side, because if Germany starts making certain industrial decisions as a result of the Brazilian contract, and we make industrial decisions on the steam generating heavy water reactor, rightly or wrongly, there will be a parting of ways. It may be right to have a parting of ways, but there should be a great deal of discussion about the matter before we go on talking about any kind of common energy policy.

My fourth question is to Mr Cheysson. Is there any convincing reason from the point of view of the Commissioners why the hearings of the Committee on Budgets should not be in public? There would be considerable advantage in having them in public for the very reasons that

my colleague, Willie Hamilton, outlined to the House.

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

Mr Lange. — (D) Mr President, I need say no more on this matter. We support Mr Aigner's report and the resolution on the Court of Auditors. We share the views expressed there. We do the same, although it may sound a little odd now, in respect of the other part of the budgetary procedure described in the report which I myself drafted on behalf of the Committee on Budgets. In that sense, then, the group as a whole takes a slightly different position than the more restricted one outlined by Mr Nielsen for himself and his friends. We do not think we are going too fast. On the contrary we think that perhaps it is too slow, that on the whole matters should be expedited more quickly. And after all the remarks made by the rapporteur and various Members, which have also contributed to establishing the position, I think that in general our Danish Members may rest assured in respect of what we consider necessary.

Anyone who believes—and may I just say this, Mr Nielsen—that matters today can be brought under control very slowly in respect of the inadequate relations between the national parliaments and their government in the Council is deceiving himself; for naturally the national parliament receives the relevant information from its government, on condition that it comes to an understanding with the other eight. So the ideas of the national parliament cannot be implemented quite independently. On the question which Mr Dalyell has raised, I as rapporteur should answer. And I shall do so now if I may, Mr President. Of course it is quite right to want means for certain ends—and here one may underline what Mr Hamilton said on the source of funds—but we must be clear about the policy to be pursued. That is self-evident. But here we are simply concerned with the principle of financing certain activities. That is rather different from the actual case that may arise at a given time. So once again, Mr President, the Socialist Group agrees with both resolutions in the present form.

(Applause)

President. — I call Mr Cheysson.

Mr Cheysson, member of the Commission — (F) Mr President, this debate marks a very important step in a struggle which Parliament first engaged in a long time ago to strengthen its budgetary powers and powers of control.

Cheyssson

It is therefore with a great deal of satisfaction that I as the Commissioner who has followed the proceedings for two years speak to your Assembly today and note that progress will and should be achieved immediately.

Today we have before us two reports dealing with the same draft treaty. We have used the term 'draft' since that is what is mentioned in Article 236.

We thus have before us two reports dealing with the same draft treaty. One of the speakers has suggested that the two aspects of the problem could perhaps be distinguished. The Commission does not think so, first of all for reasons of general policy: in its view it would be more difficult to have the two parts adopted separately than together, and, secondly, for much more fundamental reasons which will enable me to echo what Mr Hamilton and Mr Dalyell have said.

Parliament's powers, in other words the powers of the elected representatives, over the use of public funds, should be fundamental, generally recognized and expressed and determined in all aspects of adoption, expenditure and control of the use of public funds.

In this connection I wish to give Mr Hamilton the formal assurance—and no-one who has been a Member of this Parliament for some time will contradict me—that the Commission as a political body takes account of all the speeches made in this Chamber.

I do not know where the bureaucrats of whom he speaks are, but they are certainly not in the Commission when it is the budgetary powers of Parliament, its powers to authorize expenditure and its powers of control, that are at issue.

The first part, that dealt with by Mr Aigner in his report, covers the Court of Auditors.

Allow me to remind you, since it seems that some people are in doubt about it, that the Commission has always been in favour of such a Court of Auditors. In fact, the text before you today repeats almost in its entirety the text first proposed by the Commission.

We are looking forward to the setting up of the Court of Auditors which should be independent and powerful at Community level and in each of the Member States. We are sometimes faced with great difficulties, and I welcome in advance the fact that Parliament will support the Commission when it knows what the difficulties are. The Court of Auditors, which will be totally independent, should be given the powers it needs to enable Parliament to become fully effective in controlling ongoing operations and accounts.

May I just remind you here that the Commission gave a very favourable welcome to the decision taken almost 18 months ago to set up a sub-committee on public accounts in Parliament. It is a sub-committee of the Committee on Budgets and, as far as we are concerned, we are always happy to appear at all levels before them both irrespective of the rules of procedure adopted.

Mr Dalyell has asked the Commission a question on this point. It is not up to the Commission to give an answer about the organization of the work of the Committee on Budgets or the possibility it has of sometimes holding public debates. I repeat, however, that the Commission will always be pleased to appear before the Committee on Budgets however its work may be organized.

The Court of Auditors is therefore now within our reach. It should be set up officially and given full powers as soon as possible.

There has been one single point of difference between the Council on the one hand and Parliament and the Commission on the other on Parliament's say in appointing Members of the Court.

The Commission repeats its regret that Parliament's assent is not required under the text retained by the Council.

It feels that this is an error and it is not convinced by the Council's arguments. Nevertheless, in order not to delay the setting up of the Court of Auditors, the Commission thinks that, as has already been said in this Parliament, if assurances are given by the Council to comply with Parliament's opinion, it will be possible to make some initial progress.

It will also be up to you, honourable Members, to set a precedent immediately in the way in which you decide when you are asked to pass judgement on the first nine members of the Court of Auditors.

As regards the remainder of the treaty, Mr Lange's report, like Mr Aigner's, is a very noteworthy document, but as Mr Lange took on the role of rapporteur later, he deserves, if he will allow me to use the expression, very special praise for having immediately adopted a definite and daring position on this complex subject.

Mr Lange's report thus analyses the problems in depth.

I would remind you that from the outset the Commission has fully endorsed all the requests made by Parliament. From the outset we have requested that loans should be explicitly mentioned in the budget and at the last part-

Cheysson

session I gave some undertakings on behalf of the Commission irrespective of the tenors of the treaty.

This should however appear in the treaty tomorrow if it is not included today. We supported Parliament's opinion of what is incorrectly called 'the inverted majority' for overall increases in expenditure.

Unfortunately, the Council has adopted a very categorical position on this point for a reason it would not be up to me to explain if Mr Dalyell had not asked the question. When adopting this position in defiance of Parliament's recommendation which was supported by the Commission, the Council stated that there should be particularly stringent rules for controlling Parliamentary initiatives when their result was an increase in the overall volume of expenditure. That was the Council's argument. The Commission nevertheless regrets that this was not accepted by the Council. It fears that a position adopted by the Council, after close consideration, will be difficult to change in coming weeks.

It seems to us that several points brought up by Mr Lange in his report could be dealt with simply by an interpretation in writing arrived at jointly by Parliament and the Council and possibly the Commission.

Thus it is obvious that when acting in its advisory capacity as regards a discharge, the Council, which can act only in an advisory capacity—the decision being Parliament's alone—should obviously have only a limited time in which to act.

Thus, for instance, the treaty unequivocally recognizes Parliament's right to have a say in the fixing of revenue. In other words—even if the treaty does not explicitly state so, it should be put in writing until the treaty is amended—Parliament decides on the VAT rate since it is through VAT levies that total revenue will be assured once the basic rate of VAT is harmonized.

Other suggestions made by members of the Committee on Budgets, such as Mr Lange's initial proposals, extend beyond the present period. Thus problems will arise for necessary budget revenue once the 1% limit is reached. The problem is not urgent since even if there were a unified VAT basic rate, we would still at present only have reached about 0.4% whereas the top limit is 1%.

The problem will arise in five or six years. It is good that this problem has been brought up already in the report by the Committee on Budgets and perhaps also in the resolution

adopted by Parliament for any future revision of the treaty.

I also appreciate the very pertinent criticism made by the rapporteur for the Committee on Budgets and by the committee itself on the unbelievable legal concept of what is called 'compulsory and non-compulsory expenditure'. This is another problem that will have to be dealt with one day.

There are thus some points in the recommendations made by the Committee on Budgets which can be dealt with immediately by an interpretation in writing and which both the Commission and Parliament hope the Council will attend to in the coming weeks and not just sometime in the future.

Other requests apply to the longer term; some repeat requests made by Parliament a long time ago and supported by the Commission, while others relate to problems that will arise tomorrow or the day after.

Faced with this situation, the Commission would like to express one hope. We think any delay in increasing budgetary powers or in setting up the Court of Auditors would be unacceptable. We think it is a major political imperative since Parliament should have increased powers as soon as possible and that the process of increasing Parliament's powers should be continued, as is rightly pointed out in paragraph 30 of the motion for a resolution tabled by the Committee on Budgets.

We therefore feel, since these discussions always take place in summer, that we should harvest and store away as much as possible immediately, but that we should not renounce any of our claims as regards future harvests which we hope to be able to store away each summer in this Parliament.

That is why the Commission takes the liberty of emphasizing a statement made earlier by the Committee on Budgets' rapporteur.

Mr Lange, I remember clearly, said that if on one point or another, the conference of governments could not include all Parliament's requests in the revised Treaty, that should in no way be an excuse for the Council or the governments to postpone what is ready and what should be adopted immediately.

I think Parliament should be very firm on that point. No excuse can be accepted for delaying, even by a few months, the strengthening of Parliament's powers and the setting up of the Court of Auditors.

We have all recognized the skill with which the successive rapporteurs and particularly the

Cheysson

two present rapporteurs have dealt with these subjects, and the Committee on Budgets' wise handling of a particularly difficult topic. In my opinion we have proved that it should be left to the Committee on Budgets, to its chairman, rapporteurs and members, with Parliament's authorization of course, to conclude and to conclude very quickly specific discussions with the Council on the inclusion of Parliament's legitimate claims in future solutions and then to take all measures authorized by the treaty for organizing the second revision.

That is the Commission's basic point of view. That is why it has supported a proposed amendment which clearly indicated that we were not binding ourselves to a rigid legal framework or, more exactly, that we were not allowing the Council any excuse for delaying for months a decision on the treaty or on the written interpretations possible immediately on the pretext that one point or another required a more through legal discussion.

Let us harvest and store immediately, but let us also talk immediately of the future harvest, not in the lobby, but, as Mr Lange rightly recommended, in official, binding and formal conversations between the three Institutions, since today's harvest should herald tomorrow's harvests. Such discussions, I repeat, will deal not only with budgetary powers but also with legislative powers.

President. — I call Mr Lange.

Mr Lange, rapporteur. — (D) Mr President, I am sorry but I must add something more, after the remarks made by Mr Cheysson, for which I am most grateful. As Mr Cheysson recalled, I said something earlier about a possible procedure in the Council in respect of the most rapid possible entry into force of what could be put into force. Mr Shaw—and I am now anticipating the draft amendments but I must take this opportunity to do so—has referred to his two similar amendments. I do not want to incorporate these matters in the resolution but what we, the Committee on Budgets—and I had the honour of being able to speak for the Committee on Budgets here—said about the procedure in the Council should be contained in the accompanying note from the President in which these resolutions are forwarded to the Council and Commission. By so doing we are simply taking up something which the Council for its part also did when forwarding this draft treaty, namely formally undertaking in a letter to help the further development of these matters.

Our general concern, which is expressed in your proposal, Mr Shaw, is thus taken into account.

Under these conditions I would ask you to withdraw your two amendments. That would ensure uniformity of ideas in both motions for a resolution, but on the other hand we will also have said to the Council: you incur no blame; what you can decide you will, and you undertake to continue talking with us immediately. That is the decisive point. But one cannot incorporate such a thing in a resolution. One can put it in a letter in clear and polite form, not so diplomatically perhaps—I deliberately only said 'polite'—in a letter which the President must certainly draft to accompany these two resolutions. I think that would be a satisfactory solution for all those concerned here. The Commission, which attended this debate, will no doubt present and support before the Council the ideas which Parliament has put forward here—supplementing this letter to the Council—and it will be present at the Council discussions.

(Applause)

President. — I call Mr Aigner.

Mr Aigner, rapporteur. — (D) Firstly, many thanks for your approval and for your thanks to the rapporteur. In the general debate I would like to agree with what Mr Lange has already said. In no case, if steps back are to be taken, will I then also shout 'bravo' to them.

Mr President, I should also like—and this should be the concern of the whole House—us to use the chance of conciliation with the Council in order to make this discussion more transparent for the public too, so that it will know where what arguments come from and what aims are presently being discussed in the Council. I would not indeed like to miss that chance.

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

We shall now consider the motion for a resolution contained in Mr Lange's report.

I put the preamble and paragraph 1 to 6 to the vote.

The preamble and paragraphs 1 to 6 are adopted.

On the headings of Title II and Title III I have two amendments :

— Amendment No 1 tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats and worded as follows:

"Title II - heading

This heading to read as follows:

"II. Progress to be made in the course of this revision of the Treaties or in the near future."

President

— Amendment No 2 tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats and worded as follows:

'Title III - heading
Delete this heading.'

These two amendments can be considered jointly.

Since the author of the amendments is absent, they become void, unless someone else wishes to take them over.

I call Mr Shaw.

Mr Shaw. — I am sorry that my colleague from the European Progressive Democrats is not here, but I have been told that they planned a number of amendments, one of which they sought to drop when they saw mine. On reading their proposed amendments, however, I realise that they fit in with mine.

Without going into detail, I feel that everything that I have heard so far must lead me to press my amendment. Therefore, having read these other amendments, I propose to take them up to pave the way for my own.

President. — Mr Shaw is taking over Amendments Nos 1 and 2.

I call Mr Lange.

Mr Lange, rapporteur. — (D) Mr President, we have, as I tried to explain earlier, a certain structure in the resolution. In Section II we dealt with matters connected with the current Treaty revision. In Section III we deal with matters going beyond the current Treaty revisions. If both matters are now put together, I think we would be wrongly mixing up questions which basically should be clearly separate. Matters connected with the Treaties are one thing, those going beyond the Treaties another. That is why I request that all amendments by the Group of European Progressive Democrats should be rejected. I was going to ask for them to be withdrawn, because they would entirely change the structure of the resolution and make it lose the balance it needs.

I would also like to ask Mr Shaw not to maintain his amendment dealing only with revision of the Treaties, because as Mr Cheysson explained and as I said in my introductory remarks to the report, there are other ways of implementing and putting into force Parliament's views than revision of the Treaties. That is why I think we should remain fairly flexible.

President. — I call Mr Shaw.

Mr Shaw. — I am sorry to be in disagreement with my colleague, Mr Lange. I listened to his remarks with the utmost care and I am bound to say that the only reason which would lead me to withdraw my amendment would be an assurance that what we have achieved so far, in agreement with the Council, would be maintained and implemented straight away. I have heard alternatively that the views that I have put forward could be expressed in a letter, but I am bound to say that this does not convince me that it makes inevitable the immediate implementation of all that has been agreed.

Because I place that at the top of my list of priorities, as I have already said, I feel, with the greatest respect, that I must adhere to my view. I only wish that on this occasion Mr Lange would take the opportunity that I have offered in this amendment to grasp what success we have so far achieved and consolidate it.

I must maintain my position.

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

Amendment No 1 is rejected.

Amendment No 2, on the same subject, is therefore no longer necessary.

I put paragraphs 7 to 9 to the vote.

Paragraphs 7 to 9 are adopted.

On paragraph 10 I have Amendment No 3 tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats and worded as follows:

"Amend the last two lines of this paragraph to read as follows:

'part of the budgetary procedure and must therefore follow from the provisions of the Treaties;'"

Since the author is absent and no-one else wishes to take it over, Amendment No 3 becomes void.

I put paragraphs 10 to 20 to the vote.

Paragraphs 10 to 20 are adopted.

On paragraphs 21 and 22 I had Amendment No 5 tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats and worded as follows:

'Insert these two paragraphs, together with their heading "increase in own resources", in section A "Creation of revenue" as paragraphs 6a and 6b.'

However, since the author is absent and no-one else wishes to take it over, this amendment becomes void. In any case, the rejection of Amendment No 1 has made it pointless.

President

I put paragraphs 23 to 28 to the vote.

Paragraphs 23 to 28 are adopted.

On paragraph 29 I have two amendments:

- Amendment No 4 tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats and worded as follows:

“This paragraph to read as follows:

“29. Invites the Council to support the foregoing requests;”

- Amendment No 6 tabled by Mr Shaw on behalf of the European Conservative Group and worded as follows:

“This paragraph to read:

“Invites the Council to consider immediately the next revision of the Treaties, in accordance with the annexed draft.”

Since its author is absent and no-one else wishes to take it over, Amendment No 4 becomes void.

I call Mr Shaw to move Amendment No 6.

Mr Shaw. — I beg to move amendment No 6. I do so for the reason I have already set out—namely, that I believe there is a genuine danger of a delay in the implementation of the most important aspect of these reports unless my amendment is adopted. Earlier, I told Mr Lange privately that I hoped his words would convince me that I would not need to move the amendment and I would have been delighted to have been in a position to withdraw it. But I have to say that the anxieties and fears which I had originally, and which forced me to put down the amendment, are still there.

I urge all Members to think carefully of what we have achieved and what we need—and that need is for the setting up as soon as possible of a Court of Auditors. In my amendment, I have sought to approve everything that has been agreed between Parliament and the Council and to ask the Council to initiate new negotiations as quickly as possible with a view to incorporating in a new revision the amendments we have put forward in the annex. In that way, we can establish the organization that both the Council and we want, and therefore make the proper constitutional arrangements for agreeing the further amendments we wish to put. This is very important, and I am convinced that my amendment is the only way in which it can be done.

President. — I call Mr Lange.

Mr Lange, rapporteur. — (D) Mr President, may I first refer back to what I said before. Secondly, if we try to find an exact definition of what is

stated in the original paragraph 29 of the report and of what Mr Shaw means by ‘next revision’, then we must both realize that there are people in the Council who are not at all keen on a further revision of the Treaties. So on neither side would we have the guarantee for which you ask.

But if we build a bridge for the Council so that it can discuss with us the further wishes we have expressed in a manner which does not so much imply the formal conciliation and consultation procedure but initially represents merely unofficial talks to clear up the matter, I think that would be a better method for the Council.

That was the thought I tried to express. Perhaps I did not make myself very clear. For if you now say ‘next revision’, that could be the one which is under discussion; that is in fact the next revision, the other would be the one after next.

As I said, it is not just a matter of Treaty revision but also of other agreements. Mr Shaw, please may I ask you once more to consider whether you will not follow us. What we want to achieve is the same. Only, we do not want to give up from the start, but to say: Council, if you cannot do otherwise, we will build you this bridge; then try to meet us halfway and let us continue to talk with each other. Then you can adopt that which you believe you are able to adopt in accordance with your proposals. I would be grateful, Mr Shaw, if we could agree on this basis.

President. — I call Mr Shaw.

Mr Shaw. — I am always anxious to help Mr Lange, but when we have differences we always discuss them frankly, and I want to put a problem to him.

If we are to decide to set up a bridge, there must be goodwill on both sides. But if it is found—and we have heard nothing from the Council this morning—that the goodwill to meet and agree does not exist, the implementation of the reports will be delayed indefinitely. If my amendment is adopted, at least we shall still have the setting up of the Court of Auditors.

Therefore, if we are in agreement, there is no problem and both motions will achieve the same object. If there should not be agreement between ourselves and the Council, there will be only one way in which we can ensure that the Court of Auditors is immediately set up, and, with the greatest respect to Mr Lange, that way is my way.

President. — I put Amendment No 6 to the vote.

Amendment No 6 is rejected.

I put paragraph 29 to the vote.

Paragraph 29 is adopted.

I put paragraphs 30 and 31 to the vote.

Paragraphs 30 and 31 are adopted.

I put to the vote the motion for a resolution as a whole contained in Mr Lange's report, as modified by the various amendments adopted.

The resolution is adopted.¹

We shall now consider the motion for a resolution contained in the report drawn up by Mr Aigner.

I put to the vote the preamble and paragraphs 1 to 5.

Paragraphs 1 to 5 are adopted.

On paragraph 6 I have two amendments:

— Amendment No 1 tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats and worded as follows:

This paragraph to read as follows :

6. 'Invites the Council to support the foregoing requests;'

— Amendment No 2 tabled by Mr Shaw and worded as follows :

This paragraph to read:

'Requests the Council to consider immediately the next revision of the Treaties, in accordance with the annexed draft.'

Since the author is absent and no-one else wishes to take it over, Amendment No 1 becomes void.

I call Mr Shaw.

Mr Shaw. — Before I withdraw the amendment, may I say I hope most sincerely that Mr Lange is right in everything he said? I will certainly help him in achieving whatever he hopes to achieve.

I beg to withdraw the amendment.

President. — Amendment No 2 is accordingly withdrawn.

I put paragraphs 6 and 7 to the vote.

Paragraphs 6 and 7 are adopted.

I put to the vote the motion for a resolution as a whole contained in Mr Aigner's report.

The resolution is adopted.¹

8. ECSC Auditor's report for 1973

President. — The next item is the debate on the report drawn up by Mr Aigner on behalf on the Committee on Budgets on the report of the ECSC Auditor for the financial year 1973 (Doc. 140/75).

I call Mr Aigner.

Mr Aigner, rapporteur. — (D) Mr President, ladies and gentlemen, there has unfortunately been some delay with this report, not only as a result of difficulties in arranging meetings, but also because it has been the subject of fairly intensive discussion. The ECSC Auditor, Mr Gaudy, whom I should particularly like to thank, forwarded his annual report by the time stipulated in the Treaty. He is in no way to blame for the fact that we are only now beginning this debate. I should like to say that cooperation with Mr Gaudy and with the services of the Commission has been excellent. This has enabled us—albeit somewhat belatedly—to find a solution to a large number of questions during our discussions and to provide for new practical measures in many areas.

One of the reasons why this was necessary was that this Parliament requested in the reports on the Auditors' reports of 1971/72 that particular emphasis should be placed on the audit for the year 1973, in other words, the report now under discussion. I should first like to quote a few figures from the accounts. The balance sheet closes at 31 December 1973 on the assets and liabilities sides with a sum of about 1 600m u.a. in round figures. This is an increase by about 23.7% compared with 1972. The account for revenue and expenditure itself comprises expenditure totalling 175m u.a. and a revenue surplus of 62m u.a.

The most important items of expenditure are expenditure on the servicing of borrowings at about 80m u.a., administrative expenditure at 18m u.a., expenditure on research at 12m u.a. and expenditure on readaptation and other expenditure, each amounting to 5m u.a.

About one third of the corresponding revenue or about 63m u.a., Mr President, is derived from the levy. This also means an increase in levy yield by 33%, principally due to the accession of the three new Member States; revenue from the servicing of loans and guarantees amounted to 73m u.a. and revenue from other sources to about 39m u.a.

I should like to point to a problem connected with the examination of the levy. The Auditor refers in his report to the fact that the checks made by the levy office on undertakings liable

¹ OJ No C 179 of 6. 8. 1975.

Aigner

to taxation covering 1973 resulted in about half of them having to make additions to the returns they had originally submitted. I feel that, to be just and considering the financial situation of the Community, it is essential for these checks to be intensified and for the same methods of assessment to be applied in all nine Member States.

Mr President, in the resolution of 11 December 1973 on the 1971/72 audit report Parliament essentially made the following requests—I should just like to remind the House of them: there should be greater political coordination of ECSC activities, which since the merger have been spread over 7 Directorates-General of the Commission, principally through increased political activity by the Commission itself. In addition, the financial statement should no longer be drawn up at department level, but at the level of the Institution. The accounting system—particularly as regards the various research activities—should be improved. And thirdly, a clear concept of borrowing and lending policy should in future be submitted to Parliament.

Undoubtedly as a result of these suggestions and discussions considerable improvements were made last year. The audit report itself, however, led your rapporteur and committee to initiate further improvements even while this report was being drawn up. In this connection, too, I should like to express my sincere thanks to the services of the Commission for their really excellent cooperation.

I ought not, I feel, to go into the problems in detail now. I would refer the House to my written report, and above all to the section beginning with paragraph 7. In this presentation, Mr President, I should only like to stress two points.

Firstly, even a benevolent appraisal and analysis of the research policy of the Community gives rise to the unpleasant feeling that a clear concept of research activity and concentrated implementation and supervision are lacking. Research activity, I readily admit, cannot of course be described in book-keeping terms, but competition between the research establishments or increased competition preceded by a stage in which the research project is clearly defined, could, I feel, lead to substantial improvements. That the Commission should state during our discussions that it was willing to give greater transparency to all research activities by implementing projects by a kind of critical path method can also be regarded as one of the successes of those discussions and of supervision by your committee. We will undoubtedly have an opportunity next year to go into these problems in detail.

Secondly, a clear commitment by the Commission as such is not—I am choosing my words carefully here—immediately apparent from the borrowing and investment policy for its liquid funds. The sums involved are after all considerable; I am thinking here only of the Guarantee Fund. In paragraph 11 of our motion for a resolution we have therefore emphasized the particular significance of these borrowing and lending activities of the ECSC and requested the Commission to be kept informed of the credit policy it pursues and of the general criteria governing its development. We request the Commission in particular to take another look at any preference for this or that bank which may have grown up out of tradition so that here, too, an optimal result is achieved for the Community.

Finally, on the subject of the setting up of a European Court of Auditors I should like to point out that as long as the legal basis of the ECSC Treaty exists, in other words until a merger of the Treaties as such takes place, the special privileges of the ECSC Auditor must of course be retained in full, even if they are exercised within the framework of a European Court of Auditors.

To summarize, I would therefore say that the somewhat lengthy, but consequently more fruitful dialogue between your rapporteur, the Committee on Budgets, the Commission, the High Authority and the Auditor has, I feel, produced very positive results and will undoubtedly continue to do so as a consequence of our suggestions.

I would therefore request the House to adopt the motion for a resolution unanimously as was the case in committee.

(Applause)

President. — I call Mr Cheysson.

Mr Cheysson, member of the Commission. — *(F)* Mr President, allow me first of all to thank the rapporteur, Mr Aigner, for his speech. His report is a very full one and it will enable me, with your permission, to speak briefly on behalf of the High Authority.

I should like first of all to share in the words of praise for the report by the Auditor, Mr Gaudy. We very much appreciate the close cooperation we have had with him. I thank him for having been so kind as to record the fact that he was able regularly to observe the daily work of our services, thus indicating the spirit of collaboration which existed.

Speaking in more general terms, Mr President, your Committee on Budgets notes with satisfac-

Cheysson

tion in paragraph 3 and 9 the various decisions taken by the Commission as the High Authority to improve the ECSC's general and financial policy, particularly the decision to have the Commission adopt the annual balance sheet. We welcome this.

The responsibilities that fall upon the High Authority are very important because of the major role of the European coal industry in the development of the energy policy and because the iron and steel industry has to act in as balanced a way as possible to solve its economic problems.

Therefore, as stated so well in paragraph 4 of Mr Aigner's motion for a resolution, the High Authority should strengthen its efforts to give full scope to the powers conferred on it by the ECSC Treaty.

This poses a problem—and one which the rapporteur has frequently drawn attention to—of coordination between the various departments concerned in the Commission. I in my capacity as Commissioner for Budgets have made various proposals to my colleagues. I undertake on behalf of the Commission to make significant progress on this point.

As regards the special comments made in the report by the Committee on Budgets on the management of technical research, which the Commission in general agrees with, I should like to comment on only one point, the delays.

It is true that there have been delays in the preparation and final verification of research contracts. These are caused partly by the enlargement of the Community and partly by the shortage of qualified staff, but we must not forget that the situation also arises primarily as a result of the preliminary technical consultations that have to be held and the system of consultation laid down in the Treaty of Paris.

The procedure is cumbersome, it is true, but it enables us, and this is important, to obtain the advance agreement of the responsible technical sections of the ECSC Consultative Committee and the Council of Ministers, and we, like you, attach great importance to this.

From the point of view of external controls, I confirm what the rapporteur has just said about the future. I too feel that external controls could be improved and intensified by concentrating on one or two main themes each financial year.

As for retrospective controls, it should be possible to improve the situation and to shorten the delays through annual planning and by limiting spot checks to essential cases.

I should like with your permission, Mr President, to make one further comment on the remarkable development of our financial activities during the past few years, a development which reflects the role of the ECSC in the financing of the coal, iron and steel industries.

To make things clearer still, we think that, as proposed in paragraph 6 of the rapporteur's motion for a resolution, the ECSC's accounts should indicate the precise nature of commitments entered into, account being taken of the currencies concerned.

We therefore plan to supplement our accounts, drawn up in units of account, by providing an additional list of borrowings and loans and commitments in the currencies concerned.

We note with much pleasure that the Committee on Budgets has found that financial management was based on sound and proper criteria as it should be, but that in view of the importance of such activities it was worth pointing out.

Mr President, in accordance with the conclusions of the Auditor and the report by the Committee on Budgets, the Commission hopes that Parliament will adopt the motion for a resolution before it.

(Applause)

President. — I call Mr Dalyell.

Mr Dalyell. — I do not wish to be pedantic but I should like to ask Mr Cheysson what he meant in talking of the steel industry when saying 'This particular industry has to work in as balanced a way as possible'. Can he enlarge on precisely what he means? The reason I ask is that in my part of Europe major steel works are closing down. I should like an explanation of the phrase 'as balanced a way as possible'.

When Mr Cheysson talks of a lack of qualified personnel can he later, when convenient, give some figures as to what precisely is the shortfall in qualified personnel? These are extremely expensive people to hire, and there has to be a balance between the value of the scrutiny and the cost, in terms of rare resources, of taking up such qualified personnel in a scrutiny function.

But particularly I ask Mr Cheysson to enlarge on what he meant about the steel industry.

President. — I call Mr Cheysson.

Mr Cheysson, member of the Commission. — *(F)* Mr President, I will take Mr Dalyell's second question first since it is a problem for which

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a solution has been found. On the subject of levy control which the rapporteur has just mentioned, we had some difficulty at one time because of the internal imbalance of our services as regards auditors. The problem has now been settled, and we are able to audit the levy satisfactorily.

The phrase that attracted Mr Dalyell's attention is in fact equivocal and I apologize to Parliament. When we talked of reacting in a balanced way to the difficulties facing the iron and steel industry, this was I believe the meaning of the document I had been given in order to present a very difficult problem gracefully.

In the whole of the iron and steel industry in Europe there are at present limited production possibilities because of the market, and it is not through brutal and uniform decisions throughout Europe that we will be able to act intelligently. The Treaty establishing the ECSC is so important that there should be as many preliminary consultations as possible, that knowledge of the subject should be as intimate as possible, and that confidence on either side should be strong enough for adapted measures—adapted rather than balanced—to be taken in each place or more correctly in each country at all times so that the crisis in the iron and steel industry does not assume abnormal dimensions in some countries but is confined whenever possible.

President. — I call Mr Dalyell.

Mr Dalyell. — I thank the Commissioner, particularly for what he said about brutal decisions. I am sure that his heart is in the right place in these matters.

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

The resolution is adopted.¹

9. Index-linking of savings

President. — The next item is the vote without debate on the interim report drawn up by Mr Hougardy on behalf of the Committee on Economic and Monetary Affairs on the index-linking of savings (Doc. 165/75).

I put the motion for a resolution to the vote.

The resolution is adopted.¹

10. Eighth General Report on the Activities of the Communities

President. — The next item is the debate on the report drawn up by Mr Jahn on behalf of the Committee on Public Health and the Environment on those parts of the Eighth General Report on the Activities of the European Communities which fall within the terms of reference of that committee (Doc. 149/75).

I call Mr Jahn.

Mr Jahn, rapporteur. — (D) Mr President, ladies and gentlemen, on behalf of my colleagues in the Committee on Public Health and the Environment and on my own behalf I should like to say how sorry we are that health and environmental questions have been the last item on the agenda of this Parliament at all of the last few part-sessions. We shall have to look into this. It should not become a habit, or Parliament's overall policy on matters connected with the European health and environment policy and questions concerned with the improvement of living and working conditions, to which this Parliament has after all committed itself, will lack credibility.

I should like very briefly to introduce the report that has been unanimously adopted by the Committee on Public Health and the Environment on those parts of the Eighth General Report on the Activities of the European Communities which fall within its terms of reference. We felt it advisable to give an opinion again this year on the activities of the European Communities to the extent that they fall within our terms of reference. But I should like to restrict myself to those areas of the Community's activities which we have criticized. We criticize the fact that despite its undertaking to adopt the first programme of the Community for consumer information and protection by July 1974, the Council did not in fact do so until March 1975. As a result there has been a considerable delay in this important area, especially as not a single item of this programme has as yet been implemented, which means that consumer protection has continued to be governed by national policies, which is not of course in keeping with the creation of a genuine Common Market—or at least a situation similar to a domestic market. We particularly regret the fact that the consumer protection measures, which the Commission says should have priority, have still not been implemented. As an example I should like to quote the harmonization directives we have long awaited in the following fields:

- unfair and confusing business practices,
- confusing advertising,

¹ OJ No C 179 of 6. 8. 1975.

Jahn

- hire purchase transactions and consumer loans,
- liability for products,
- general principles with regard to the labelling and packaging of consumer goods, particularly foodstuffs,
- safety of toys.

I can but reiterate this year the appeal we have been making for many years for a considerable increase in the staff of the secretariats of the Iron and Steel Industry Safety and Health Commission and the Mines Safety and Health Commission so that the work done by these bodies may be fully effective.

In the field of environmental protection some things are unfortunately not running as we had imagined. Although the meeting of the Council of Environment Ministers on 7 November 1974 looked quite promising at the beginning, we note with regret that the Council's present work on the implementation of the programme of action on the environment of 22 November 1973 is progressing very slowly. Unfortunately, too, the Council did not hold the meeting planned for May or June of this year to discuss environmental questions: it was postponed until the autumn. In view of this delay we can but appeal to the Council to intensify its work in the field of environmental protection.

Following these critical remarks I should not like to finish without praising the Community and in particular the Commission for its activities in the following areas in which we feel considerable progress has been made:

Firstly, introduction of the principles of the free movement of pharmaceuticals in the Community.

Secondly, the promotion of research pursuant to Article 55 of the ECSC Treaty in the fields of safety, health protection and environmental protection.

Thirdly, the quality and intensity of Euratom safety supervision.

Fourthly, total harmonization where this is in the overriding interest of the protection of public health and safety.

Lastly, I should like to point out that we are convinced the Community should be content in other cases with optional harmonization so that the consumer retains his freedom of choice and there continues to be a wide range of goods.

Otherwise, I would refer the House to the 20 paragraphs of our motion for a resolution. I

have deliberately refrained from going into Community action on the purification of the waters of the Rhine, the inadequacy of the Community measures for the protection of birds and the programme of action on safety, hygiene and health protection at work since they have been and are the subject of separate reports.

(Applause)

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission. — *(I)* Mr President, I would like to congratulate Mr Jahn on his report and, at the same time, thank those few Members who are still in the Chamber.

I think the Bureau of Parliament must deal with this matter since it is in no-one's interests to be constrained, at Friday lunchtime, to briefly discuss a question which I consider of special importance if only because Members have put many oral questions on problems of the environment and consumer problems. I would therefore be most grateful, Mr President, if you would express to the Bureau the Commission's feelings about the need to discuss problems of real importance, such as this one, at another time rather than the usual Friday morning...

Mr Jahn. — *(D)* Hear, hear!

Mr Scarascia Mugnozza. — *(I)* I would like to say very briefly to Mr Jahn that as regards consumer protection I too until very recently was most concerned at the failure to draw up a programme.

However, since in April this year the consumer programme was finally approved by the Consultative Committee, I shall now have more officials which I believe will make it possible to solve problems in this sector more rapidly.

May I then reassure Mr Jahn that as regards the information programme we have already reached a very advanced stage. The Consultative Committee recently had a meeting on the subject and in the next few days I shall be meeting members of the steering committee so that the working programme may be drawn up in the coming months.

May I also add that we are preparing a new development programme.

As for protection of the environment, I thank Mr Jahn for his statements. I must however admit that the Council has been progressing quite well and I believe that it will be able to hold two meetings before the end of the year.

Scarascia Mugnozza

It is in fact essential for the Council to meet in the near future to consider the proposals put before it by the Commission on the second programme on the environment.

However, I think that these meetings can be held this year, as planned. I also think that this will make it possible to reach a solution on the various technical problems which are at present pending.

Mr President, I have nothing else to add. I would like to say, however, that—as has always happened in the past—I and my colleagues are at the disposal of Parliament and in particular of the committee responsible to discuss the progress of these questions and to ensure that the environmental programme, laid down at the Paris Summit and implemented by the Commission according to the terms provided, can move forward in line with the wishes of all the people of Europe.

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

The resolution is adopted.¹

11. Oral question with debate: Inadequate EEC bird protection measures.

President. — The next item is the oral question with debate tabled by Mr Jahn on behalf of the Committee on Public Health and the Environment to the Commission of the European Communities on inadequate EEC bird protection measures (Doc. 153/75).

It is worded as follows:

The communiqué issued by the Heads of State or of Government of the Member States of the enlarged Community, meeting in Paris in October 1972, underlines the importance of a Community environmental policy and invites Community Institutions to establish, before 31 July 1973, a programme of action accompanied by a precise timetable. The communiqué also states that the Heads of State or of Government were agreed in thinking that, for the purpose in particular of carrying out the tasks laid down in the different programmes of action, it was desirable to make the widest possible use of all the dispositions of the Treaties, including Article 235 of the EEC Treaty.

The Programme of Action of the European Communities on the Environment drawn up in consequence, and adopted by the Council on 22 November 1973, expressly refers to the Paris Summit Conference². It contains a section entitled 'Protection of birds and certain other animal species' (Part II, Title II, Chapter 1 (B) (f)) under which

the Commission is committed to 'study with a view to possible harmonization of national regulations on the protection of animal species and migratory birds in particular'.

The Programme also states this action should be carried out as quickly as possible, and by 31 December 1974 at the latest, and that where appropriate the Commission would make proposals before this date¹.

Despite this unequivocal provision in the Environmental Action Programme and considerable activity on the part of the European Parliament to ensure effective bird protection in the Community (repeated written questions by several of its Members, oral questions and the resolution on Petition No 8/74 on saving migratory birds), all the Commission has done is to address, on 20 December 1974, a recommendation to Member States concerning the protection of birds and their habitats². However, Article 189 of the EEC Treaty states that recommendations are not binding; therefore the Member States do not have to follow them, whereas Article 235 of the EEC Treaty provides a basis in law for the Commission to propose regulations or directives which are legally binding throughout the Community.

In view of the above facts and the legal situation, the Commission is asked to reply to the following questions:

1. For what reasons has the Commission done no more than issue a non-binding recommendation, instead of following the Programme of Action on the Environment, and submitting a proposal for a regulation or directive, based on Article 235 of the EEC Treaty, which would have binding force?
2. Even if all the Member States were to fully adopt the Commission's Recommendation in the near future, and accede to the international Paris and Ramsar Conventions, does the Commission believe that bird life would thereby be afforded sufficient protection?
3. Why has the Commission hitherto refrained from submitting proposals on the harmonization of the laws of Member States on the protection of birds, as it was asked to do in the Programme of Action on the Environment?
4. Is the Commission prepared to review its attitude and meet its obligations arising from the Programme of Action on the Environment?
5. By what date can one expect the submission of proposals for regulations or directives on the protection of birds which would be binding on the Member States?

I call Mr Jahn.

Mr Jahn. — (D) Mr President, ladies and gentlemen, the oral question put on behalf of the Committee on Public Health and the Environment should be regarded not only in the same context as the earlier decisions of the Heads of State or Government and of the Council of

¹ OJ No C 179 of 6. 8. 1975.

² OJ No C 112, 20. 12. 1973, p. 1.

¹ OJ No C 112, 20. 12. 1973, p. 40.

² OJ No L 21, 28. 1. 1975, p. 24.

Jahn

Ministers—I am thinking here of the programme of action on the environment of November 1973; it also follows logically on from the resolution unanimously adopted by this House on 21 February 1975 on Petition No 8/74 on saving migratory birds.

As you will recall, in that resolution we put to the Commission and Council some very precisely worded requests, of which I should only like to mention the most important now. We requested the Commission and Council to submit or adopt practical measures in the near future with the following objectives:

- (a) a general prohibition on the trapping of birds with nets;
- (b) a shorter season for hunting migratory birds by other means;
- (c) a general prohibition on cruelty to captured birds;
- (d) a strict prohibition on the importation into the Community of dead song birds and migratory birds and import controls in the case of live birds.

In addition, we advocated the application of any measures aimed at actively protecting birds, for example the creation of bird reserves in which hunting is generally banned and the preservation of certain species of birds and the creation of suitable breeding grounds, as well as the safeguarding of a healthy environment.

I would ask the House to note that one commission established that twelve species of migratory birds have been completely destroyed in the last 10 years, with the result that the ecological structure of Northern Europe is in great danger. We also pointed out that the required Community regulations must be enforced as completely as possible by comprehensive controls and suitable penalties when they are infringed.

Furthermore, we stressed that the study which the Commission instructed the *Zoologische Gesellschaft von 1958* to make on the whole question of the protection of migratory birds provides a sound basis for concrete measures by the Commission and Council at Community level.

I can remember quite clearly—it was on one of those Fridays which are unfortunately always reserved for reports by the Committee on Public Health and the Environment—how the member of the Commission, Mr Brunner, agreed with our resolution and stated there was every hope that the Commission would shortly submit the proposals we were requesting. It was clear even then—and Mr Brunner did not dispute this—

that the recommendation forwarded to the Member States on 20 December 1974 regarding the protection of birds and their natural environment, which we fully approve and regard as a first step, could not in any way be considered a substitute for the Community regulations requested by this House. In the recommendation the Member States are requested 'if they have not already done so, to accede as quickly as possible' to the International Convention for the Protection of Birds adopted in Paris in October 1950 and to the Convention on the Conservation of Wetlands of International Importance especially as Water Fowl Habitat adopted in Ramsar in February 1971.

As we all know, Article 189 of the EEC Treaty states that recommendations are not binding, and the Member States need not, therefore, abide by them. Moreover, we feel that the Ramsar Convention has not yet come into force, with the result that the measures it contains, which in any case only cover one aspect of the protection of birds, have not yet become effective.

We are anyway convinced that as things now stand, there is no guarantee of adequate protection of birds, even if in the meantime all the Member States have complied with the Commission's recommendation—this must be stressed—and acceded to the international conventions of Paris and Ramsar. We therefore insist on the Commission submitting, in line with the programme on the environment of 22 November 1973 and in implementation of the communiqué issued by the Heads of State or Government in Paris in October 1972, a practical proposal for a regulation or directive providing comprehensive protection of birds which is based on Article 235 of the EEC treaty and is thus binding.

To conclude, I should like to emphasize one point: do not underestimate the reaction of this Parliament and the reaction of the public. My colleagues on the Committee on Public Health and the Environment and I have received thousands of letters from nature protection and environmental associations and from individual members calling for action in this field. Those who think that the parties should demonstrate here that they are committed to the protection of the environment, health and nature should also show their interest by taking part in the debate in this House. I am particularly pleased, Mr Lange, that you have held out so long. I am grateful to the Commission—and I should like to say this to Mr Scarascia Mugnozza personally—for what it has done in this field, and I hope that we will be receiving in the foreseeable future, after we have again looked into what

Jahn

has been done at international level or by the Nine, proposals for regulations and directives concerning the protection of birds. I know that the Commission is prepared to do its best.

(Applause)

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission. — (1) Mr President, Mr Jahn has already outlined the terms of the problem. I shall therefore be very brief. Under the environmental action programme the Commission has undertaken to consider the problem of animals and birds from three points of view: protection of the species, protection of the natural habitat in which these species live and protection of the actual habitat from various kinds of harm. We also called for special studies, some of which have already been completed and forwarded to the Committee on Public Health and the Environment of the European Parliament. At the end of the month we will have the complete results of these studies, which may be very useful from the point of view of information on these three aspects.

Mr Jahn, while acknowledging the Commission's work, did however raise the problem of more effective legal instruments. He asked that for this particular question the Commission should draft a regulation or a directive; the Commission on the other hand has so far considered it better to draft a recommendation.

Apart from reiterating what my colleague Mr Brunner (who agreed with me on this matter) has stated, I can only confirm that at the moment we see no other way than that of the recommendation. Indeed, we do not think that a legal act, which would be much more restrictive, would be easily applicable in the Member States, because we still lack many details. Yet we remain in favour of a recommendation, although as Mr Brunner said earlier, if it does not produce the practical results for which we hope, we will follow it with a more rigid legal instrument.

As for the problem inherent in finding information on the special situation of birds in the various Community Member States, and particularly where there are migrant birds, may I say that we will attempt by means of studies which will be published, to publicize it as widely as possible. As regards the other problem, which is particularly acute in Italy where the question of bird-catching has not yet been fully cleared up, I must tell Mr Jahn that I too have for years been receiving letters, mainly from Germans, which show a growing concern with what appears to be going on in my country. I have addressed the Minister of

Agriculture on the matter and had a long talk with him. He undertook personally to support the bill, as hoped for by the European Community and public opinion in general. However, I think that apart from the official steps which the Commission has taken and will take in future, it would be useful for the President of the European Parliament, on the proposal of the Committee on Public Health and the Environment, and referring back to the debate held some months ago and to today's debate, to invite, by official letter, the Italian government and parliament to approve this bill, which has been pending examination for some time. In other words I believe that an instrument of this kind could serve as a useful means of way for the European Parliament to exert pressure.

Having said that, Mr President, I would like to confirm to you and Parliament that the Commission attaches great importance to the matter and will do all it can to resolve the problem as soon as possible.

President. — I have no motion for a resolution tabled on this item.

The general debate is closed.

12. Dates for next part-session

President. — There are no other items on the agenda. I thank the representatives of the Council and the Commission for their contribution to our work.

The enlarged Bureau has proposed that our next part-session be held in Luxembourg from 22 to 26 September 1975.

Are there any objections?

That is agreed.

13. Adjournment of session

President. — I declare the session of the European Parliament adjourned.

14. 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 today's sitting which were written during the debates.

Are there any comments?

The minutes of proceedings are approved.

The sitting is closed.

(The sitting was closed at 12.50 p.m.)

