

Annex

Official Journal

of the

European Communities

No 230

May 1978

English edition

Debates of the European Parliament

1978-1979 Session

Report of Proceedings

from 8 to 12 May 1978

Europe House, Strasbourg

Contents

Monday, 8 May 1978	1
Resumption of session, p. 2 — Petitions, p. 2 — Documents, p. 2 — Texts of treaties, p. 5 — Authorization of reports, p. 5 — Transfers of appropriations, p. 5 — Order to business, p. 6 — Urgent procedure, p. 8 — Speaking-time, p. 8 — Tabling of amendments, p. 9 — Procedure without report, p. 9 — Action taken on Parliament's opinions, p. 9 — Oil policy, p. 10 — Hydrocarbon exploration, p. 20 — Political affiliations of Commission officials, p. 25 — Next sitting, p. 30.	
Tuesday, 9 May 1978	31
Minutes, p. 33 — Urgent procedure, p. 33 — Youth employment, p. 37 — Air-traffic control, p. 56 — Question-time, p. 57 — Tribute, p. 64 — Voting-time, p. 64 — South African uranium exports, p. 66 — Air-traffic control (contd), p. 72 — Documents, p. 78 — Agenda, p. 79 — Shipping, p. 79 — Agenda, p. 92 — Home study courses, p. 93 — Iron-and-steel industry, p. 99 — Social security schemes for self-employed persons, p. 111 — Market in wine, p. 117 — Next sitting, p. 119.	
Wednesday, 10 May 1978	120
Minutes, p. 122 — Welcome, p. 122 — Procedural motion, p. 122 — Outcome of the Belgrade meeting, p. 123 — Direct elections, p. 140 — Statement by the President, p. 141 — Committees, p. 141 — Agenda, p. 142 — Question Time (contd), p. 142 — Voting-time, p. 155 — Direct elections (contd), p. 159 — Council of Ministers, p. 161 — Court of Auditors, p. 166 — Human rights in Uruguay, p. 169 — Human rights in Argentina, p. 172 — Next sitting, p. 186 — Annex, p. 187.	

(Continued overleaf)

PE: Debats: 230

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.

Contents (continued)

Thursday, 11 May 1978 191

Tribute to Aldo Moro, p. 193 — Minutes, p. 198 — Documents, p. 198 — MCAs and representative conversion-rates, p. 199 — Milk and milk products, p. 209 — Committees, p. 214 — Agenda, p. 214 — Question Time (concluded), p. 215 — Milk and milk products (contd), p. 223 — Voting-time, p. 230 — Milk and milk products (contd), p. 235 — Agricultural structures, p. 241 — Financing of EAGGF interventions, p. 247 — EAGGF financial regulation, p. 252 — Inland waterways, p. 253 — Next sitting, p. 257 — Annex, p. 258.

Friday, 12 May 1978 258

Minutes, p. 260 — Documents, p. 260 — Agenda, p. 260 — Petitions, p. 260 — Supplementary budget No 3 for 1978, p. 260 — Procedure without report, p. 261 — Urgent procedure, p. 261 — Resolution under Rule 47 (5), p. 261 — Agenda, p. 261 — Financial protocols with Greece, Turkey and Portugal, p. 261 — Financial participation in Member States' projects, p. 265 — Third EEC-Latin America Inter-parliamentary Conference, p. 267 — Cost of pollution control, p. 273 — Activities in the veterinary sphere, p. 273 — Milk and milk products, p. 273 — Rabies, p. 273 — Dutch producers' associations, p. 275 — Design and insulation of certain equipment, p. 275 — Hot-water meters, p. 277 — Education allowance for local staff, p. 277 — Fisheries, p. 277 — Inshore fishing, p. 277 — Voting-time, p. 277 — Next part-session, p. 285 — Minutes, p. 285 — Adjournment, p. 286.

Resolutions adopted at sittings of 8 to 12 May 1978 appear in the Official Journal of the European Communities C 131 of 5. 6. 1978.

SITTING OF MONDAY, 8 MAY 1978

Contents

1. Resumption of the session	2		
2. Petitions	2		
3. Documents received	2		
4. Texts of treaties forwarded by the Council			
5. Authorization of reports	5		
6. Transfers of appropriations	5		
7. Order of business:			
<i>Mr Notenboom; Mr Vandewiele; Lord Bruce of Donington; Mr Lange; Mr Fellermaier; Mr Ligios</i>	6		
8. Urgent procedure	8		
9. Limitation of speaking time	8		
10. Time-limit for tabling amendments	9		
11. Procedure without report	9		
12. Action taken by the Commission on the opinions of Parliament			
<i>Mr Brunner, Member of the Commission; Lord Reay; Mr Lange; Lord Bruce of Donington; Mr Lange; Mr Brunner</i>	9		
13. Oil supply, processing and storage policy — Joint debate on two reports by Mr Normanton on behalf of the Committee on Energy and Research (Docs. 577/77 and 16/78)			
<i>Mrs Walz, deputy rapporteur</i>	10		
<i>Mr Guerlin, on behalf of the Socialist Group; Mr Fuchs, on behalf of the Christian-Democratic Group (EPP); Mr Damseaux, on behalf of the Liberal and Democratic Group; Mr Bouquerel, on behalf of the Group of European Progressive Democrats; Mr Leonardi, on behalf of the Communist and Allies Group; Mr Brosnan; Mr Brunner, Member of the Commission; Mr Fuchs; Mr Brunner</i>	13		
14. Regulation on hydrocarbon exploration — Report by Mrs Walz on behalf of the Committee on Energy and Research (Doc. 90/78)			
<i>Mrs Walz, rapporteur</i>	20		
<i>Mr Guerlin, on behalf of the Socialist Group; Mr Luster, on behalf of the Christian-Democratic Group (EPP); Mr Damseaux, on behalf of the Liberal and Democratic Group; Mr Bouquerel, on behalf of the Group of European Progressive Democrats; Mr Leonardi, on behalf of the Communist and Allies Group; Mr Brunner, Member of the Commission</i>	22		
15. Petition on enquiries into the political affiliations of Commission officials — Report by Mr Hamilton on behalf of the Committee on the Rules of Procedure and Petitions (Doc. 336/77)			
<i>Mr Luster, deputy rapporteur</i>	25		
<i>Mr Dondelinger, on behalf of the Socialist Group; Mr Lemoine, on behalf of the Communist and Allies Group; Mr Vredeling, Vice-President of the Commission; Mr Luster</i>	26		
16. Agenda for the next sitting	30		

IN THE CHAIR : MR COLOMBO

President

(The sitting opened at 5.05 p.m.)

President. — The sitting is open.

1. *Resumption of the session*

President. — I declare resumed the session of the European Parliament adjourned on 14 April 1978.

2. *Petitions*

President. — I have received the following petition from Mrs Rosenzweig, on behalf of the Mondiaal Alternatief Foundation and also in the name of some 8 million Europeans by written proxy, on the inclusion in the agenda of the meeting of the Joint Committee of the ACP-EEC Consultative Assembly to be held from 29 May to 3 June 1978 in St George, Grenada, of

- questions relating to migratory birds ;
- the short- and long-term implications for both continents of the threatened extinction of Euro-African migratory birds.

This petition has been entered under No 7/78 in the register provided for in Rule 48 (2) of the Rules of Procedure and, pursuant to paragraph 3 of the same rule, referred to the Committee on the Rules of Procedure and Petitions.

3. *Documents received*

President. — I have received the following documents :

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

- proposal from the Commission to the Council for a regulation on the common organization of the market in sheepmeat (Doc. 56/78),

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

- a proposal from the Commission to the Council for a directive relating to the limitation of the noise emitted by compressors (Doc. 57/78),

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

- an amended proposal from the Commission to the Council for a directive concerning the approximation of the legislation of the Member States, in order to combat illegal migration and illegal employment (Doc. 58/78),

which has been referred to the Committee on Social Affairs, Employment and Education as the committee responsible and to the Legal Affairs Committee for its opinion ;

- the proposals from the Commission to the Council for Community aids to promote the employment of young people (Doc. 60/78),

which have been referred to the Committee on Social Affairs, Employment and Education as the committee responsible and to the Committee on Budgets for its opinion ;

- a proposal from the Commission to the Council for a decision amending Decision 76/345/Euratom adopting a research and training programme (1976-80) of the European Atomic Energy Community in the field of fusion and plasma physics (Doc. 64/78),

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

- proposals from the Commission to the Council for :

I. a regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels registered in the Faroe Islands ;

II. a regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway ;

III. a regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Sweden ;

IV. a regulation allocating catch-quotas between Member States for vessels fishing in Faroese waters ;

V. a regulation allocating certain catch-quotas between Member States for vessels fishing in the Norwegian exclusive economic zone ; and

VI. a regulation on a common interim measure for restructuring the inshore fishing industry

of which Parts I to V have been referred to the Committee on Agriculture and Part VI to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for its opinion ;

(b) from the committees, the following reports :

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

I. a directive amending Council Directive 72/159/EEC of 17 April 1972 on the modernization of farms ;

II. a directive amending Council Directive 75/268/EEC of 28 April 1975 on mountain and hill farming and farming in certain less-favoured areas ;

III. a directive amending Council Directive 72/160/EEC of 17 April 1972 concerning measures to encourage the cessation of farming and the reallocation of utilized agricultural areas for the purpose of structural improvement ; and

President

- IV. a directive on the programme to accelerate drainage operations in the less-favoured areas of the West of Ireland
(Doc. 59/78);
- report by Mr Nyborg, on behalf of the Committee on Economic and Monetary Affairs, on the proposals from the Commission to the Council for:
- I. a directive on the approximation of the laws of the Member States concerning the general requirements of construction and certain types of protection for electrical equipment for use in potentially explosive atmospheres;
 - II. a directive on the approximation of the laws of the Member States relating to common provisions for machine-tools and similar machines for the working of metals, wood, paper and other materials; and
 - III. a directive on the approximation of the laws of the Member States relating to hand-held, power-driven, portable grinding machines
(Doc. 61/78);
- report by Mr Tolman, on behalf of the Committee on External Economic Relations, on the proposals from the Commission to the Council for:
- I. a regulation on the opening, allocating and administration of the Community tariff quota of 38 000 head of heifers and cows, not intended for slaughter, of certain mountain breeds falling within subheading ex 01.02 A II (b) of the Common Customs Tariff; and
 - II. a regulation on the opening, allocating and administration of the Community tariff quota of 5 000 head of bulls, cows and heifers, not intended for slaughter, of certain Alpine breeds falling within subheading ex 01.02 A II (b) of the Common Customs Tariff
(Doc. 62/78);
- report by Mr Patijn, on behalf of the Political Affairs Committee, on the decision of the European Council of 7 and 8 April to hold the elections to the European Parliament by direct universal suffrage in the period between 7 and 10 June 1978 (Doc. 65/78);
- report by Mr Radoux, on behalf of the Political Affairs Committee, on the outcome of the Belgrade meeting as provided for by the Final Act of the Helsinki Conference on Security and Cooperation in Europe (Doc. 76/78);
- report by Mr Ryan, on behalf of the Committee on Budgets on a proposal from the Commission to the Council for a regulation laying down general rules for the financing of certain interventions by the EAGGF (Guarantee Section) (Doc. 78/78);
- report by Mr Schmidt, on behalf of the Political Affairs Committee, on the legal basis and procedures for certain legal acts relating to the Community's fisheries policy (Doc. 80/78);
- report by Mr Guerlin, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on a proposal from the Commission to the Council for a directive on the protection of participants in home study courses (Doc. 82/78);
- report by Mr Klepsch, on behalf of the Political Affairs Committee, on European Armaments Procurement Cooperation (Doc. 83/78);
- report by Mr Willi Müller, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the draft from the Commission to the Council for a recommendation to the Member States regarding methods of evaluating the cost of pollution control to industry (Doc. 85/78);
- report by Mr Cousté, on behalf of the Committee on External Economic Relations, on the multilateral negotiations in GATT (Doc. 86/78);
- report by Mr Power, on behalf of the Committee on Social Affairs, Employment and Education, on the proposals from the Commission to the Council for:
- I. a regulation concerning the adaptation of Regulation (EEC) No 1408/71 of 14 June 1971 on the application of social security schemes to employed persons and their families moving within the Community, with a view to applying it to self-employed persons and their families; and
 - II. a regulation concerning the adaptation of the Annexes to Regulation (EEC) No 1408/71 of 14 June on the application of social security schemes to employed persons and their families moving within the Community, with a view to applying it to self-employed persons and their families
(Doc. 87/78);
- report by Mr Lezzi, on behalf of the Committee on Social Affairs, Employment and Education, on the proposals from the Commission to the Council for:
- I. a regulation concerning the creation of a new European Social Fund aid in favour of young persons; and
 - II. a decision amending Decision 74/459/EEC of 22 July 1975 on action by the European Social Fund for persons affected by employment difficulties, as amended by Decision 77/802/EEC of 20 December 1977
(Doc. 88/78);
- report by Mr Schmidt, on behalf of the Committee on External Economic Relations, on the state of relations between the EEC and the State-trading countries of Eastern Europe and the CEMA (Doc. 89/78);
- report by Mrs Walz, on behalf of the Committee on Energy and Research, on the amended proposal from the Commission to the Council for a regulation on support for joint hydro carbon exploration projects (Doc. 90/78);
- report by Mr Shaw on behalf of the Committee on Budgets, on the proposal from the Commission to the Council for a financial regulation concerning the EAGGF (Guarantee Section) for the periods 1967-68 to 1970 (Doc. 91/78);
- report by Mr Brown, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission to the Council for a directive amending Directive 75/106/EEC on the approximation of the laws of the Member States relating to the making-up by volume of certain prepackaged liquids (Doc. 92/78);

President

- report by Mr Caro, on behalf of the Committee on Budgets, on the proposal from the Commission to the Council, on the application of the provisions of the Financial Protocols concluded with Greece, Turkey and Portugal (Doc. 93/78);
 - report by Mr Cointat, on behalf of the Committee on Budgets, on education allowances for local staff (Doc. 94/78);
 - report by Mr Spicer, on behalf of the Committee on the Environment Public Health and Consumer Protection, on fire regulations in hotels in the European Community (Doc. 95/78);
 - report by Mr Verhaegen, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on a communication from the Commission to the Council on the programme of work to be carried out in the veterinary, zootechnical and animal protection spheres; staff required for such work (Doc. 96/78);
 - report by Mrs Squarcialupi, on behalf of the Committee on the Environment, Public Health and Consumer Protection on a draft resolution of the Council of the European Communities (Doc. 480/77) on a Community action programme on safety and health at work (Doc. 97/78);
 - report by Mr Hughes, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council for a regulation amending the Annex to Regulation (EEC) No 804/68 on the common organization of the market in milk and milk products (Doc. 100/78);
 - second report by Mr Tolman, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 974/71 as regards the price level to be taken into consideration for the calculation of monetary compensatory amounts (Doc. 102/78);
 - report by Mr Schwörer, on behalf of the Legal Affairs Committee, on the proposal from the Commission to the Council for a seventh directive, pursuant to Article 54 (3) (g) of the EEC Treaty, concerning group accounts (Doc. 103/78);
 - report by Mr Hoffmann, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council for a regulation relating to the fixing of representative conversion-rates in agriculture (Doc. 104/78)
- (c) the following oral questions :
- oral question, with debate, by Mr Corrie, on behalf of the European Conservative Group, to the Council, on the Council of Ministers (Doc. 66/78);
 - oral question, without debate, by Mr Jahn to the Commission, on the levying of import charges by the Netherlands 'Produktschappen' (producers' associations) (Doc. 67/78);
 - oral question, without debate, by Mr Seefeld to the Commission on financial participation by the Community in projects carried out in the Member States (Doc. 68/78);
 - oral question, with debate, by Mr Bertrand, Mr Müller-Hermann, Mr Schyns, Mr Wawrzik, Mr Notenboom, Mr Martinelli, Mr Deschamps, Mr Riapomanti and Mr Noè, on behalf of the Christian-Democratic Group (Group of European People's Party), to the Commission on a binding code of conduct for multinational undertakings (Doc. 69/78);
 - oral question, with debate, by Mr Ryan, Mr McDonald, Mr L'Estrange, Mr Vandewiele and Mr Müller-Hermann to the Commission, on fish caught in Irish waters (Doc. 70/78);
 - oral question, with debate, by Mr Hughes, Mr Lemp and Mr Prescott, on behalf of the Socialist Group, to the Commission, on fishing policy (Doc. 71/78);
 - oral question, with debate, by Mr Hughes, Mr Lemp and Mr Prescott, on behalf of the Socialist Group, to the Council on fishing policy (Doc. 72/78);
 - oral question, with debate, by Mr Damseaux, on behalf of the Liberal and Democratic Group, to the Commission on the crisis in the inland-waterways sector (Doc. 73/78);
 - oral with debate, by Mr Corrie, on behalf of the European Conservative Group, to the Commission on the conservation of fishery resources (Doc. 74/78);
 - oral question, with debate, by Mr Cousté and Mr Brosnan, on behalf of the Group of European Progressive Democrats, to the Commission on the situation of the iron-and-steel industry in Europe (Doc. 75/78);
 - oral questions by Mr Hoffmann, Mr Dankert, Sir Geoffrey de Freitas, Lord Reay, Mrs Ewing, Mr Cousté, Mr Noè, Mr Schyns, Mr Osborn, Mr McDonald, Mr Shaw, Mr Howell, Lord Bessborough, Mr Normanton, Mr van Aerssen, Mr Herbert, Mr L'Estrange, Mr Broeks, Mr Brown, Mr Scott-Hopkins, Mr Cifarelli, Mr Edwards, Mr Vitale, Mr Fitch, Mrs Cassanmagnago Cerretti, Mr Hoffmann, Mr Herbert, Mrs Ewing, Mr Cousté, Mr Osborn, Mr Shaw, Mr Howell, Mr Normanton, Mr Hamilton, Mr Stetter, Lord Reay, Mr Kavanagh, Mr Edwards, Mr Dankert, Mr Osborn, Mr Bordu, Mr Broeks, Lord Reay, Mr Jakobsen, Mr Bettiza, Mrs Ewing and Mr Edwards for Question Time on 9, 10 and 11 May 1978, pursuant to Rule 47 A of the Rules of Procedure (Doc. 33/78);
- (d) the following motions for resolutions :
- motion for a resolution tabled by Mr Hamilton, pursuant to Rule 65 of the Rules of Procedure, on violations of the European Convention on Human Rights (Doc. 63/78),
- which has been referred to the Political Affairs Committee :
- motion for a resolution tabled by Mr Berkhouwer, pursuant to Rule 25 of the Rules of Procedure, on Community measures for auxiliary vessels of Member States and of associations and foundations with legal personality established in Member States, which provide medical and technical assistance at sea to Community fishermen exercising their profession inside and outside the waters of the European Economic Community (Doc. 77/78),

President

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

(e) from the Commission :

- the Eleventh General Report on the activities of the European Communities in 1977 : Report on the Development of the Social Situation in the Communities in 1977 (Doc. 79/78),

which has been referred to the Committee on Social Affairs, Employment and Education as the committee responsible and to the Committee on Economic and Monetary Affairs and the Committee on the Environment, Public Health and Consumer Protection for their opinions ;

- the Eleventh General Report on the activities of the European Communities in 1977 : Seventh report on competition policy (Doc. 101/78),

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

- proposal for the transfer of appropriations between chapters in Section V (Court of Auditors) of the budget of the European Communities for the financial year 1978 (Doc. 99/78) ;

which has been referred to the Committee on Budgets ;

(f) from the Council :

- opinion of the Council on the proposal for the transfer of appropriations between chapters in Section III (Commission) of the general budget for the European Communities for the financial year 1978 (Doc. 108/78),

which has been referred to the Committee on Budgets.

4. *Texts of treaties forwarded by the Council*

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

- act of notification of the approval by the Community of the Convention for the protection of the Mediterranean Sea against pollution and of the Protocol for the prevention of pollution of the Mediterranean Sea by dumping from ships and aircraft ;
- act of notification of the approval by the Community of the Additional Protocol to the Agreement establishing an Association between the European Economic Community and the Republic of Cyprus.

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

5. *Authorization of reports*

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

— *Committee on Budgets :*

Parliamentary control of the activities of the EDF. Committee asked for its opinion : Committee on Development and Cooperation ;

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

Medium- and longer-term considerations of Community regional policy in the light of economic and monetary union ;

— *Committee on the Environment, Public Health and Consumer Protection :*

Enquiry into optimal territorial zones and measures to protect the environment ;

— *Committee on External Economic Relations :*

Content of the recently-signed trade agreement between the Community and the People's Republic of China ;

— *Committee on Development and Cooperation :*

The problems posed by the code of conducts for undertakings with subsidiaries, branches or representations in South Africa.

Committees asked for their opinions : Political Affairs Committee, Committee on Economic and Monetary Affairs and Committee on External Economic Relations.

6. *Transfers of appropriations*

President. — By letter of 21 March 1978, the Commission forwarded to this Parliament a proposal for the transfer of appropriations, within the general budget of the European Communities for the financial year 1978, from Chapter 101 to Item 1981, together with the information that this proposal had been forwarded to the Council pursuant to Article 21 (2), fourth sub-paragraph, of the Financial Regulation. This document was printed and distributed under the number 17/78 and transmitted to the Committee on Budgets.

On 21 April 1978, the Council informed me that it had approved this proposal, and by letter of 2 May 1978 the Committee on Budgets informed me that it had also delivered a favourable opinion. The procedure laid down in the Financial Regulation has thus been completed.

Are there any objections to the approval of this proposal ?

The proposal is approved.

By letter of 3 April 1978, the Commission forwarded to this Parliament a proposal for transfers of appropriations from one chapter to another within Section III (Commission) of the general budget of the European Communities for the financial year 1978.

This proposal was printed and distributed as Doc. 46/78.

President

By letter of 10 April 1978, Parliament requested the opinion of the Council on this proposal pursuant to Article 21 (2), third subparagraph, of the Financial Regulation. In addition, the proposal was transmitted to the Committee on Budgets for its opinion.

By letter of 27 April 1978, the Committee on Budgets informed me that it was delivering a favourable opinion on the part of the proposal concerning the transfer of 500 000 EUC from Chapter 101 to Chapter 95 of the budget. This partial decision was justified by the urgent need to transfer this sum to start the anti-malaria campaign in Turkey. For the same reasons of urgency, the Council agreed to this partial transfer on 28 April 1978.

Are there any objections to the approval of this partial transfer?

The partial transfer is approved.

7. Order of business

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

At its meeting of 20 April 1978, the enlarged Bureau drew up a draft agenda, which has been distributed. In the meantime, the following changes have occurred:

- The Früh report on the EAGGF has not been adopted by the committee and has been withdrawn from the agenda for this part-session;
- as regards the report on the veterinary sector, Mr Verhaegen has been appointed rapporteur in place of Mr Ney;
- The Committee on Economic and Monetary Affairs has tabled an oral question, with debate, by Sir Brandon Rhys Williams on monetary compensatory amounts. This committee will be given an opportunity of speaking and, if necessary, putting questions during the debate provided for on Thursday on the Tolman and Hoffman reports, which deal with the same subject;
- Mr Power has requested that this report on social security schemes, scheduled for Tuesday's sitting, be taken as the last item of that sitting.

I call Mr Notenboom.

Mr Notenboom. — *(NL)* Mr President, I am speaking on behalf of Mr Glinne, the chairman of the Committee on Economic and Monetary Affairs. I am grateful to you for mentioning the letter from Mr Glinne about the questions put by Sir Brandon Rhys Williams for the committee. I heard the interpreter use the word 'possible' and I should just like you to confirm that you have in fact added the questions by Sir Brandon Rhys Williams on behalf of the Committee on Economic and Monetary Affairs on the significance of the monetary compensatory amounts

to the reports by Mr Tolamn and Mr Hoffmann. The word 'possible' seemed somewhat confusing to me and I am assuming that the questions by our committee have in fact been added to the joint debate on Thursday.

President. — By 'possible questions' I merely intended to indicate that the committee concerned would have an opportunity of putting such questions.

I call Mr Vandewiele.

Mr Vandewiele. — *(NL)* Mr President, in the absence of Mr Kaspereit, the chairman of the Committee on External Economic Relations, I wish to ask whether the report by Mr Cousté on the negotiations in GATT has in fact been placed on the agenda. The committee is expecting it to be debated and our chairman has written a letter to the Bureau to that effect.

President. — I take note of your request, which will be considered at the meeting of the enlarged Bureau to be held on Thursday.

I call Lord Bruce.

Lord Bruce of Donington. — Mr President, I wish to draw your attention to a communication from the Commission — COM 78/146/final of 6 April — which is a draft for a Council decision concerning the activities of certain State-trading countries in cargo-liner shipping. I am given to understand that this matter will be dealt with by the Council at its next meeting on 12 June, and that a request by Council that Parliament consider this is on its way; it may even have reached us by this time. Whilst protesting that the amount of time given to Parliament to consider this question in the first instance is very small indeed, nevertheless, if we are going to be of assistance, it is necessary that the matter be debated in plenary sitting sometime this week. In this connection I would further draw your attention to a motion for a resolution tabled with a request for urgent debate pursuant to Rule 14 of the Rules of Procedure, Doc. 81/78, by Mr Nyborg on behalf of my committee. I would like to ask whether consent could be given for this motion for a resolution to be converted into a report, as it would need comparatively little amendment, and for this matter to be taken up either on Thursday or Friday of this week in view of the urgency and since the Council are going to consider it on 12 June.

President. — If I understood him correctly, Lord Bruce is asking for a debate by urgent procedure. Lord Bruce, would you confirm that that is the purpose of your request?

Lord Bruce of Donington. — Mr President, the item is in the form of a motion for a resolution which has been tabled and which would therefore come up

Lord Bruce

in the normal way tomorrow. I am seeking for further permission to convert this into a report and have it dealt with later on in the week, if it meets the convenience of Parliament.

President. — In that case, your request will be taken into consideration by the Bureau during its meeting on Thursday.

I call Mr Lange.

Mr Lange. — (C) Mr President, would it be possible to add a report by the Committee on Budgets to this week's agenda? I refer to the report by Mr Caro on the proposal for a Council regulation on the application of the financial protocols to the agreements with Greece, Turkey and Portugal. We all know about the troubled history of these financial protocols, which have not yet been applied because of the differences of opinion between the Member States and the Parliament about ratification. Parliament considers ratification by the Member States to be superfluous because the protocols, or rather the financial aid granted under them, are to be financed from the Community's own resources and not from national funds, as used to be the case. Mr President, I hope that this report can be taken during this part-session.

I would suggest that the report might be put down for Friday. There is no controversy on the subject after all our debates here about financial protocols. The Committee on External Economic Relations still has to consider the report and it was proposing to do so tomorrow.

President. — This request will be dealt with at the same meeting of the Bureau.

I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, this is not simply a technical matter — it is also a political issue as far as the applicant countries are concerned. I do not see why the Bureau should have to consider this request on Thursday; the plenary assembly is at liberty to decide here and now to place the item on Friday morning's agenda and, on behalf of my group, I would ask it to do so.

President. — Mr Fellermaier, since you took part, in the Bureau, in drawing up a set of rules for determining the order of business, you must be aware that it is for the Bureau to propose to the House the inclusion of an item in the agenda. Since Mr Lange has requested that this item, which is undoubtedly of some political importance, be debated in the sitting of Friday, 12 May, the Bureau will be able to take a decision in the matter at its meeting on Thursday.

I call Mr Ligios.

Mr Ligios. — (I) Mr President, I wish, on behalf of the Christian-Democratic Group, to put a request for urgent consideration of a motion for a resolution on a regulation on the creation of a European Joint-Trade Table-wine Organization and on a regulation amending Regulation No 816/70.

As you have not mentioned this item, I should like you to say what will be done about it.

President. — This request for the adoption of urgent procedure will be put to the House for decision at tomorrow morning's sitting.

The order of business would therefore be as follows :

this afternoon :

- Procedure without report ;
- Commission statement on action taken on the opinions of Parliament ;
- Joint debate on two Normanton reports on oil supply, processing and storage policy ;
- Walz report on hydrocarbon exploration ;
- Hamilton report on enquiries into the political affiliations of Commission officials ;

Tuesday, 9 May 1978

10 a.m. and in the afternoon :

- Lezzi report on aids to promote the employment of young people ;
- Noè report on air traffic control ;
- McDonald report on a code of conduct for liner conferences ;
- Guerlin report on home-study courses ;
- Oral question, with debate, to the Commission on a code of conduct for multinational undertakings ;
- Oral question, with debate, to the Commission on the steel industry in Europe ;
- Power report on social-security schemes ;

3 p.m. :

- Question Time (questions to the Commission) ;

3.45 p.m. :

- Voting Time (vote on motions for resolutions on which the debate has closed) ;

Wednesday, 10 May 1978

10 a.m. and in the afternoon :

- Radoux report on the outcome of the Belgrade meeting ;
- Patijn report on elections to the European Parliament by direct universal suffrage ;
- Oral question, with debate, to the Council on the Council of Ministers ;
- Joint debate on a Schmidt report, a Corrie report, an oral question to the Council and three oral questions to the Commission on fisheries policy ;

President

3 p.m.:

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

4 p.m.:

- Voting time;

Thursday, 11 May 1978

10 a.m. and in the afternoon:

- Joint debate on a second Tolman report on monetary compensatory amounts and a Hoffman report on representative conversion-rates;
- Herbert report on milk and milk products;
- Lemp report on agricultural structures;
- Ryan report on the financing of certain intervention by the EAGGF;
- Shaw report on a financial regulation for the EAGGF;
- Oral question, with debate, to the Commission on the crisis in the inland-waterways sector;

3 p.m.:

- Question Time (questions to the Commission);

5 p.m.:

- Voting time;

Friday, 12 May 1978

9 a.m.:

- Procedure without report;
- Oral question, without debate, to the Commission on Community financial participation in Member States' projects;
- Sandri report on the Third European Community — Latin America Interparliamentary Conference;
- W. Müller report on the cost of pollution control (without debate);
- Verhaegen report on the veterinary, zootechnical and animal protection spheres (without debate);
- Hughes report on milk and milk products;
- Oral question, with debate, to the Commission on the eradication of rabies;
- Oral question, without debate, to the Commission on the levying of import charges;
- Nyborg report on construction and protection of certain types of equipment;
- Nyborg report on hot-water meters;

End of sitting:

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

Are there any objections?

The order of business is agreed.

8. Urgent Procedure

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

- Motion for a resolution tabled by Mr Nyborg, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the activities of certain State-trading countries in cargo liner shipping (Doc. 81/78);

- Motion for a resolution tabled by Mr Patijn, Mr Bertrand, Mr Johnston, Mr Sandri, Mr Seefeld, Mr Spénale, Mr Sieglerschmidt, Mr Bangemann, Mr Holst, Mr Prescott, Lord Kennet, Mr Radoux, Mr Fellermaier, Mr Kavanagh, Mr Lezzi, Mr Lemp, Mr Dankert, Mr Vergeer and Mr Dondelinger on the respect of human rights in Uruguay (Doc. 84/78)

- Motion for a resolution tabled by Mr Ligios, Mr Pisoni, Mr Pucci, Mr Brugger, Mr Granelli, Mr Vernaschi, Mr Bersani, Mr Ripamonti, Mr Martinelli, Mr Fioret, Mrs Cassanmagnago Cerretti, Mr Tolman, Mr Noè, and Mr McDonald, on behalf of the Christian-Democratic Group (EPP Group) on the proposals from the Commission to the Council for:

I. a regulation establishing a European Joint-Trade Table Wine Organization;

II. a regulation amending Regulation (EEC) No 816/70 laying down additional provisions for the common organization of the market in wine

(Doc. 105/78); and

- Motion for a resolution tabled by Mr Fellermaier and Mr Prescott, on behalf of the Socialist Group, on certain violations of human rights in Argentina (Doc. 109/78).

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

9. Limitation of speaking time

President. — As usual, I propose that the House limit speaking time on all reports and motions for resolutions on the agenda, with the exception of the joint debate on fisheries, as follows:

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

As regards the joint debate on fisheries, the Bureau has decided, pursuant to Rule 28 of the Rules of Procedure, to allocate speaking-time as follows:

Rapporteurs (2 × 15 minutes):	30 minutes
Authors of oral questions (3 × 10 minutes):	30 minutes
Commission and Council (2 × 20 minutes):	40 minutes
Socialist Group:	50 minutes
Christian-Democratic Group (EPP Group):	45 minutes
Liberal and Democratic Group:	25 minutes
Group of European Progressive Democrats:	20 minutes
European Conservative Group:	20 minutes
Communist and Allies Group:	20 minutes
Non-attached Members:	8 minutes

Are there any objections?

That is agreed.

10. *Time limit for tabling amendments*

President. — I propose that Parliament fix the time limit for tabling amendments to the Tolman report, on monetary compensatory amounts (Doc. 102/78) and the Hoffmann report, on representative conversion rates (Doc. 104/78), at 10 a.m. on Thursday, 11 May 1978.

Are there any objections?

That is agreed.

11. *Procedure without report*

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

- proposal from the Commission to the Council for a decision amending Decision 76/345/Euratom adopting a research and training programme (1976/80) of the European Energy Community in the field of fusion and plasma physics (Doc. 64/78),

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

Unless any Member asks leave to speak on these proposals or amendments are tabled to them before the opening of the sitting on Friday, 12 May 1978, I shall, at that sitting, declare these proposals to be approved by the European Parliament.

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

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

Before giving the floor to the Commission representative, I would inform the House that, at its meeting of 20 April 1978, the enlarged Bureau examined, together with the Commission representatives, the procedure relating to such statements. The Commission will be informed of the enlarged Bureau's deliberations as soon as the report of these has been approved. This report will also be transmitted to all Members of the Parliament.

I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, the honourable Members have delivered opinions on seventeen proposals from the Commission. They have approved thirteen of them and proposed amendments to four others. In three of those four cases, the Commission has been able to endorse the amendments in large measure. In the case of the proposal by Mr Ligios on the development of the Mediterranean region the Commission could not subscribe to Parliament's view.

In the three instances where we largely endorsed the amendments, we have already set the necessary work in progress. That is the case with Mr Lambert's proposals on the consumption of cocoa products and chocolate. We shall be forwarding our opinion on this subject to you later this month. It has not been as easy to make rapid progress as we had thought originally. We have had to consult the legal service and the body responsible for environmental and consumer affairs.

I hope that the Assembly will be patient for a while on the amendments by Mr Hughes on agricultural policy. As you know, the agricultural price negotiations are still in progress. I hope that Mr Gundelach will be able to report to you on the matter on Thursday.

I come now to Mr Spinelli's amendments. We welcome most of the changes relating to Community loans and the procedure for their administration. We support the view the annual budgetization desirable. We shall be in a position to give you detailed opinion in the next few days. On one point, however, we are unable to support the proposed amendments: this is the case with Article 5, concerning the distribution of responsibilities between the Commission and the European Investment Bank. Here we feel that there is no negative effect on the powers of the Commission and that the agreements with the Bank provide a satisfactory basis for correct decision-making on individual projects.

President. — I call Lord Reay.

Lord Reay. — Mr President, the Commissioner has just given a very full extemporaneous account of how the Commission has responded to Parliament's treatment of its proposals at our last part-session, and it would have been difficult for him to have produced such a text in writing. Nevertheless, there was once an occasion when the Commission, in reporting to Parliament, did produce a report in written form: this has the very considerable advantage that it becomes available in our respective languages to all Members to study shortly after the report has been given. The disadvantage of the procedure to which the Commission has apparently now reverted, of making an oral report on how the Commission has treated amendments proposed by this Parliament, is that Members are able to listen to the Commissioner in translation, but thereafter — at any rate for the following six weeks or so — are only able to see his report in the language in which he delivered it to this House. I therefore think it would be an advantage if the Commission were to revert to the procedure of presenting its report to Parliament in written form and I wonder if you, Mr President, and the Commission would consider re-adopting this procedure.

President. — I call Mr Lange.

Mr Lange. — (*D*) Mr President, Mr Brunner was good enough to refer to the report adopted by Parliament on the subject of the one thousand million loan; he said that the Commission had largely endorsed the Parliament's view — but not on the decisive point. We should very much like to have written observations on this so that we can, if necessary, initiate a conciliation procedure with the Council, because we believe that the original text — and this was also the view of Parliament as a whole — does not in fact reflect what Mr Brunner has said here and that there are real doubts about the unlimited political and material responsibility of the Commission.

Mr President, I hope that the Commission will put its reasoning to us in rather greater detail so that we can discuss the matter further.

President. — I call Lord Bruce.

Lord Bruce of Donington. — Mr President, I would like to support the representations made to you by my colleague Lord Reay on this subject. Most Members of Parliament spend a very considerable proportion of their time working on matters of great detail in committee, seeking to approve amend or add to various proposals being made by the Commission. It is manifestly desirable that all Members should know with some precision exactly what the Commission has done in regard to the proposals made by Parliament. A verbal statement, here made in very general terms, cannot be regarded as an adequate response by the Commission, nor can it be regarded as adequate information to Members of Parliament. What is required is a precise account in writing by the Commission of how it has dealt with these matters, for translation into the official languages. Only in that way can Members of Parliament, who work very hard in committee, keep detailed track of just what results have eventuated at the Commission's hand from the endeavours they have been making.

President. — With regard to the observations made by Lord Reay, Mr Lange and Lord Bruce, I can inform the House that the procedure to be adopted, in agreement with the Commission, will be the following: a few days before the beginning of each part-session that is, on the Friday — the written text of the Commission's statement will be distributed in the six official languages so that Members of the Parliament will be able to acquaint themselves with it beforehand. This text will be thrown open to discussion, and Members will thus have an opportunity of making any observations they wish.

I call Mr Lange.

Mr Lange. — (*D*) Mr President, I do not want to comment on your proposal but simply wish to point out that my request was not a matter for the future but referred to a precise topic on which Mr Brunner

has just reported, namely, the one thousand million loan. I agree fully with your proposal as to the procedure but do not want this point to be dropped on that account. It remains valid. That is my request and I should like the Commission to agree to it.

President. — Mr Brunner, are you in a position to reply to this request?

Mr Brunner, Member of the Commission. — (*D*) Mr President, I can comply with Mr Lange's request in full. The Commission's letter to the Parliament on this subject is already on its way. It contains detailed justifications for the Commission's opinion.

13. *Oil supply, processing and storage policy*

President. — The next item is the joint debate on two reports by Mr Normanton, on behalf of the Committee on Energy and Research, on

— the prospects for, and requirements of, a Community oil supply and processing policy (Doc. 577/77)

and on

— the proposal from the Commission to the Council for a directive amending Council Directive 68/414/EEC of 20 December 1968 imposing an obligation on Member States of the EEC to maintain minimum stocks of crude oil and/or petroleum products and on the need for improving the Community's policy for the storage of oil and/or petroleum products (Doc. 16/78).

I call Mrs Walz.

Mrs Walz, deputy rapporteur. — (*D*) Ladies and gentlemen, I am very sorry that Mr Normanton cannot be with us here today because of an important vote in his own Parliament, particularly as he has presented an altogether outstanding report which will surely become a standard text of the European Parliament on the prospects and requirements for a Community oil supply and processing policy. It is a great pity that someone who has devoted so much effort and time to so excellent a report should then be detained in his national Parliament. But we are all familiar with that situation! As chairman of the committee, I should like to thank Mr Normanton most warmly for his fine report.

I shall now deliver the speech which Mr Normanton himself has asked me to make — in other words, I am speaking for him and the words are his.

In our joint debate today we are considering two reports which are quite separate, and I want to discuss each of them briefly against the background of the fact that they were both adopted unanimously with one abstention after full discussion; opinions differed widely on some points, but it proved possible to settle the differences. As I have said, the result was unanimous, with just one abstention.

Walz

First a word about the situation of the refinery sector in the Community and an introduction to my report on the prospects and requirements of a Community oil supply and processing policy. In 1976, only 62 % of the Community's oil-refining capacity was utilized. The capacity utilization figure varied from country to country: while three-quarters of the available capacity — admittedly small — in Denmark was used, the corresponding figure for Italy, which has the largest capacity of all the Community Member States, was only 47 %. The situation of the European refineries is indeed serious, especially as the oil-producing countries are exerting increasing pressure on the Community to import refined products instead of crude oil.

The main cause of the surplus capacity in the EEC can be traced back to the energy crisis of 1973/74 and its after-effects. The consumption of oil products has not risen to the extent predicted in 1973.

This is due partly to the critical situation facing many energy-intensive industries since 1974 and partly also to the enormous increase in the price of oil products, which has encouraged a more rational use of energy and caused industry to shift to other fuels, including coal, for electricity generation purposes. Not all oil products have been affected to the same extent and the demand for some lighter fractions such as petrol has remained unaffected.

In the second half of 1977 and the first months of this year, I made a detailed study of the situation of the European refinery industry and of the oil supply position. I reached the following conclusions.

The surplus capacity in the European refinery industry is first and foremost a structural problem. The situation can be improved by closing down the less efficient refineries and adjusting the refinery structure to the market needs by controlling the share of heavy refinery products produced in the Community and correspondingly increasing the share of lighter fractions. At the same time, the construction of new refineries in the Community should be held down as far as possible for the next ten years, although exceptions should be made for an appropriate number of conversions to the refining of lighter products.

Limitations on the construction of new refineries might raise certain problems in that some plants which had been ordered before the oil crisis are now coming on stream. Furthermore, one Member State whose domestic oil production capacity has increased is encouraging the construction of refineries on its own territory to enable it to process its own crude oil. I am convinced that the problem of surplus capacity can best be solved by the refinery industry itself in conjunction with the competent Community agencies.

The oil-refining industry is reacting very sensitively to market requirements and is surely best placed to bring about the necessary changes. However, these changes must be brought about in conjunction and in cooperation with the Community authorities and after discussion with the employees of the refinery industry. The Commission can play a decisive role in this, and I hope that it will step up its efforts to establish a common market in oil and oil products, which will facilitate free trade in those products throughout the Community without distortions of competition. This in turn would presuppose transparency of the market in oil and refined products and a common policy on imports of crude oil and petroleum products.

The Council and Commission should in particular increase the staff of the Community's Statistical Office to enable it to collate more detailed and complete data on oil prices and help compile medium-term import forecasts for guidance purposes.

Some oil-producing countries would understandably prefer to build their own refinery capacity and export refined products instead of crude. I am by no means convinced that this policy is in the long-term interest of the producer countries themselves, for whom investments in other sectors might well be more profitable. This question can only be settled through a dialogue with the oil-producers, perhaps in OPEC. Europe must maintain its own refinery capacity, not simply because of the investments already made in this sector but also so as not to place the security of our own energy supplies and our economies, which are so heavily dependent on energy, at risk.

There is thus a real need for consultations with the oil-exporting countries but also for internal consultations between the Community institutions, the oil-refining industry and the employees of that industry. I am sorry to note that there is a yet no economic interest association for the oil-refining industry as there is, for example, in the textile sector. It would be much easier for the Commission to deal in its consultations with a single body reflecting the intention of the European refinery industry, ranging from the subsidiaries of multinational companies, through private European enterprises to nationalized concerns. I hope that a single body of this kind will soon be set up.

I noted with satisfaction that some two-thirds of the Community's surplus distillation capacity existing in March 1977 and amounting to 140 million tonnes has since been taken out of commission; a capacity of 25 million tonnes has been definitively closed while 57 million tonnes are temporarily shut down. But the problem has still not been solved by any means. I believe that a solution is only possible if the recommendations set out in my report are adopted.

The second report under consideration in this joint debate concerns the Commission's three proposals for the oil-storage sector. Since 1968, there has been a

Walz

rudimentary stockpiling policy in the Community for the oil sector, and changes have been made over the years. An amendment to the original directive has required the Member States to keep stocks of certain types of crude oil or petroleum products equivalent at the very least to ninety days' domestic consumption. This arrangement proved extremely valuable to Europe during the crisis in November and December 1973 and in the early months of 1974.

In May 1977, the Commission worked out two further proposals amending its previous stockpiling policy. The European Parliament was not consulted on these proposals. I am sorry that the Commission failed to consult Parliament on important changes to an essential policy and hope that this situation will not recur in future.

The two proposals relate to the creation of common stocks of crude oil and oil products in the Community and to the establishment of organizations in all the Member States with responsibility for maintaining stocks of crude oil or oil products, and to the financing of these organizations.

The first of these proposed directives would enable the undertakings subject to the requirement to hold stocks to maintain those stocks in common storage establishments. Thus, any one undertaking could hold part of its stocks in another Member State. However, if more than 20 % of the stocks which the undertaking is required to hold are to be kept in another Member State, the approval of the government of the Member State in which the undertakings has its registered office must be obtained first. This proposal would make for a more rational utilization of the Community's existing storage capacity, since Member States with inadequate storage facilities could hold part of their supplies in another Member State with spare capacity.

The Committee on Energy and Research agrees fully with this proposal, but does not consider it desirable to publish details of the location and duration of utilization of the common storage facilities in the Official Journal. Stocks are held primarily for security reasons. It would therefore, in my view, be extremely unwise to publish details of these stocks. I therefore propose an amendment to Article 3 of the draft directive requiring the Commission to notify these details to the Member States, which would in turn inform the undertakings concerned.

The second draft directive concerns the financing of the organizations responsible for maintaining the supplies of crude oil or petroleum products. These organizations would be financed from levies payable by the undertakings in proportion to the quantities stored by them. These levies could, however, be

recouped through the consumer prices for the oil products concerned. Like it or not, the storage costs will inevitably have to be borne by the consumer in the long run.

The Committee on Energy and Research has approved both proposals from the Commission although it was not consulted on them. In December 1977, the Commission published a draft third Council directive amending the previous directive on the maintenance of oil stocks. This proposal provides for the exemption from the requirement to hold stocks to be increased from 15 to 40 % where that quantity can be covered by oil or oil products from a Member State. This proposed reduction in the stockpiling requirement would be made on condition that normal supplies of crude oil and oil products between Member States can be maintained in the event of supply difficulties. Were a Member State to take advantage of the exemption up to the maximum of 40 %, its oil stocks would only correspond to consumption requirements for 54 days.

I strongly believe — and this view is shared by the whole committee — that a reduction in oil stocks at this juncture might create an impression in European public opinion and in the OPEC countries that the Community considers the risk of a crisis to have been overcome. That is far from the truth. The experts with whom I have spoken consider that there will be a shortage of oil supplies in the early 80s. The crisis risk has therefore definitely not receded. A limitation of the requirement to hold stocks at this stage would be extremely shortsighted. Any limitation would be detrimental to the Community's security of supplies in the event of a new oil crisis and would weaken our position in negotiations with the producing countries. The arguments for a reduction of stocks in Great Britain may be quite cogent, but I believe exceptions should not be made for any Member State and that an overall reduction in stocks might have catastrophic consequences.

On behalf of the Committee on Energy and Research, I would therefore urge the Commission to withdraw this proposal. I would remind the Assembly in conclusion that the oil crisis is still with us. The Community urgently needs a transparent common market for oil and oil products. We need a common policy for imports of oil and refined products.

To put an end to the current over-capacity in the refinery sector, action must be taken on the proposals contained in my report on a common oil supply and oil-processing policy. We must maintain our common stocks of oil and oil products and at the same time increase the scale of our stocks at the points where demand is particularly high. We need a fully-developed Community network of pipelines for oil, oil

Walz

products and natural gas. We need a storage policy for natural gas and oil, and we must not be lulled into a false sense of security by the present relatively low price-levels for oil products.

For all these reasons, I would recommend the Assembly to adopt the two reports before us this evening.

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

Mr Guerlin. — (*F*) Mr President, my group agrees to these two reports. We share all the views put forward in the first report regarding the measures to be taken to solve the problem of surplus refinery capacity in Europe, which is liable to have extremely serious consequences, particularly for employment. We do, however, wish to make one observation concerning paragraph 5 of the motion for a resolution, which was worked out after lengthy discussion in committee. In this paragraph, Parliament recognizes the need to establish a powerful agency covering all sectors of the refining industry and able to put the views of that sector to the Commission, after consulting the unions concerned. The discussion on this last point was very lively in committee, but agreement was eventually reached. Mrs Walz referred just now to a suggestion by Mr Normanton concerning the creation of a federation of the petroleum industries. We in the Socialist Group wonder whether it might not be preferable to envisage a kind of joint committee in which industrial and union interests would both be represented. We attach great importance to the presence of the unions in these bodies, because they obviously have a direct interest with jobs at stake. I should therefore like Mr Brunner to tell us whether he sees this consultation of the unions as a theoretical exercise or whether he intends it to be carried out seriously before any decisions are taken and in such a way that the unions have every possibility of putting their views. I should very much like to hear the Commissioner's views on this point.

As to the second report, we are also in full agreement with the Committee on Energy and Research, particularly as regards the need to maintain the storage rules drawn up previously and subject to relaxation under certain conditions. We agree with the Committee on Energy on the need for great stringency in this area, and it is our view that the present world situation does not allow these precautionary measures to be eased in the slightest.

We do not altogether agree with the committee over the final part of paragraph 8 of the motion for a resolution, recommending that the cost of maintaining important stocks of oil should not be defrayed directly from Community resources — we endorse that part of the sentence — although it may have an incidence on prices to the consumer; it is that final clause we

should like to have deleted. When Mr Normanton's report was read out just now, I heard the clear statement that in the long run it would be inevitable for the consumer to have to bear part of these costs. We in the Socialist Group do not agree. We think these costs should be borne either by the oil companies or by the countries concerned. That is why we have tabled an amendment asking for the deletion of the words 'although it may have an incidence on prices to the consumer'

With those reservations, the Socialist Group lends its full support to these reports.

IN THE CHAIR: MR MEINTZ*Vice-President*

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

Mr Fuchs. — (*D*) Mr President, ladies and gentlemen, energy policy would seem to be an equation with several unknowns and variables. The two reports tabled by Mr Normanton may well help to clarify the unknown quantities a little. The Christian-Democratic Group most definitely supports the two reports. I should also like to thank Mr Normanton for having presented such precise, expert and realistic texts. In such a difficult area as this anything other than realism can only confuse the issue.

May I begin with a few remarks on refinery capacity? I do not wish to repeat what Mr Normanton has said about the situation of the refineries. I simply want to stress some of the consequences as we in the Christian-Democratic Group envisage them. We believe that it is absolutely right to apply measures adapted to the market requirements. They are the most likely to bring about solutions, since, as we have seen in the report, adjustments to the market in the past twelve months have already brought about a substantial reduction in surplus capacity. The oil industry must therefore in the first instance act for itself; but, of course, proper attention must also be given to social problems. The Community and the Member States should not intervene directly here: they should confine themselves to the creation of favourable general conditions as indicated in the report; this entails the creation of a favourable atmosphere as regards administrative and fiscal measures as well as provision for social consequences. But measures of State control would not be appropriate. I would, in fact, only envisage direct intervention if a point were reached where the Community's refinery capacity dropped below the vital level of self-sufficiency. If such a development were to occur, we certainly could not remain inactive.

Fuchs

I would lay particular emphasis on the need for adjusting refinery capacity on the basis of coordination between the individual countries so that a common market is eventually established in this sector. This means that conditions of competition must be harmonized, for example through the simplification of fiscal and financial incentives. Similarly, I see it as vital to increase the transparency of the whole petroleum market. Perhaps it would then be possible to avoid the criticism which has been — rightly or wrongly — often levelled at the oil companies that they exploit their position on the market to the detriment of the consumer.

One aspect which seems particularly important to us is the attitude we are to adopt to the pressure by the OPEC countries to refine their own petroleum products to a much greater extent than hitherto. I do not think that confrontation in this matter will get us anywhere. On the contrary, cooperation is essential to reach agreement on the range of refined products.

I should also like to comment on Mr Guerlin's reference to the creation of a representative organization of the refinery industry so as to provide a truly qualified partner for discussions with the Commission. I think that, as in other sectors of industry, there is a genuine need for a properly qualified and authorized discussion partner here. It is of course also essential, as specifically mentioned in Mr Normanton's report, for the workers to be consulted too.

Finally, I would point out that this report may bring about progress in one particular sector. We cannot wait for an overall solution. Let us rather make feasible steps in individual areas. The Commission has, of course, been adopting this approach for a long time already. I am therefore all the more disappointed at the inability of the Council to act in this area. If my information is correct, the Council has addressed itself to this matter four times already without reaching a decision.

I hope that the breakthrough will come at the Council's next meeting, scheduled for 30 May, since the Council must be aware of the vital need for a decision. That decision will certainly not become easier with the passage of time, and delay will simply aggravate the problems. The Council's attitude also conflicts noticeably with the decision taken at the Rome summit conference to establish a common investment, market and price policy in the energy sector. I do not consider declarations of intent to be enough; they are even harmful, because if words are not followed by acts the credibility of the Community — already none too good — will suffer further; we must prevent that at all costs. It therefore seems to me that the Council is not playing its proper role in the matter of refinery capacity.

In the brief opinion on the second report, concerning the reduction of oil and petroleum product stocks, I find myself obliged to endorse Mr Normanton's view when he says that there is still a lack of real concern in this sector.

It is, to say the least, very surprising to hear repeated references to the difficulties confronting us and the dependence which is constantly apparent, only to find a proposal being submitted which cannot but increase that dependence. Mrs Walz mentioned the periods involved: ninety days, or, if the exemptions are fully used, only 54 days. This surely cannot be a genuinely helpful energy policy.

Of course there is the question of costs, which is probably one reason why this approach has been chosen. But the report also touches on that question. We do not believe that Community financing will be forthcoming. That is impossible. But I still believe we must have the courage and honesty to add that the money must come from somewhere. And I believe it is only realistic to affirm that there are bound to be effects on the ultimate price to the consumer. Our citizens will understand if we tell them the truth and say that security can only be ensured if the price is paid. The question of prices in the energy sector is bound to give us increasing concern — although I certainly do not want to give the impression that prices and costs are simply to be passed on to the consumer. The oil companies have in the first instance a duty to ensure that provision is made for storage at their own level.

I think that if the transparency of the market were increased — to which reference is made in the report — that at least would help to show why, where and when additional costs arise. I favour the idea of creating additional storage capacity, especially in the vicinity of the points of consumption, because, to quote just one example, hospitals are particularly sensitive — as are the energy producers themselves, the power-stations, in whose vicinity storage capacities must be created to enable them to supply electricity in the longer term. I welcome the proposal contained in a Commission draft that Community provision should be made for stockpiling instead of simply leaving this to the individual Member States; where substantial storage capacities exist they should be available to countries which do not themselves have such capacity.

Mr President, ladies and gentlemen, those are some of the reasons for which the Christian-Democratic Group has no difficulty at all in supporting these two reports. I just want to add one thing: having regard to all that I have said and to our concern about adequate stocks and the degree of exposure of the long supply

Fuchs

routes and of drilling rigs in the North Sea, we must surely endorse the unanimous view of the committee that a reduction of capacity is not appropriate.

In my view, the conclusion reached by the committee at a well-attended meeting is therefore entirely realistic.

I simply hope that the promising steps which have now been outlined will soon become a reality. They are not large steps but at least they are steps in the right direction — and that is the important thing.

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

Mr Damseaux. — (*F*) Mr President, Commissioner, ladies and gentlemen, may I begin by conveying my warm congratulations to Mr Normanton on these two reports, which are excellent because they are complete and well-documented and propose interesting steps towards the achievement of a Community oil policy.

It is particularly important for the Community to seek to work out a joint policy for the supply and processing of oil.

The world situation as regards refining and supply is extremely exporter Until 1976, the Community was a net exporter of oil products, but since then it has become an importer. In addition, the producer countries will certainly try to invest capital in Community refineries and might turn under-utilized capacity to advantage through repurchasing operations or jobbing processing contracts. These exporting refineries — as we might term them — would jeopardize any common policy for the importation of petroleum products. Thus the policy for the control and limitation of imports of finished products must be pursued jointly with a refining policy.

This aim will necessitate a substantial and complex effort, which must become a cornerstone of the Euro-Arab Dialogue and of the Community's association policy. To this end, we need highly accurate statistics on oil-product imports; at present, the statistics are inadequate.

Precisely because self-limitation of capacities is inadequate and there are as yet no controls on the volume of crude oil processed, the Commission must be supported in its efforts to arrive at a consensus among operators on the necessary future investments and on the reduction and control of processed quantities. The Commission must be assisted by the oil industries, by the Member States and by the refineries, which must agree to participate loyally in a system of confidential information.

There is as yet no real transparency in respect of the prices charged at the various stages — importing, production, distribution and consumption, but a posi-

tive step was taken with the Commission's recent survey of real transactions on the Rotterdam market. It is essential in this area to organize a detailed system of information on product imports covering all the points of entry into the Community. With this end in view, the rapporteur rightly proposes a strengthening of the energy section of the Statistical Office. Cooperation by the customs authorities of the Member States and the use of data-processing facilities would also be desirable.

In conclusion, the rapporteur proposes the creation of a trade association covering the whole industry. In itself, that idea is appealing, because organizations of that kind already operate successfully in the agricultural and textile sectors. However, the lack of homogeneity in the oil industry and the American anti-trust legislation might make it difficult to implement this proposal. I hope that the Commission will make its views on the subject known to us. In general, the Community's oil supplies must be viewed within the framework of its external policy and of the Lomé Convention, but above all with reference to the Euro-Arab Dialogue. Our governments should recognize this fact and act accordingly.

The second report by Mr Normanton covers one aspect of the common oil policy. The storage of oil products and the maintenance of a minimum level of oil stocks could in fact make for a more equitable distribution of the financial burden of stockpiling by making the users meet part of the cost. These proposals underline the European nature of our security of supply and will make consumers more aware of the importance of their own security, thus encouraging the rational use of oil. Finally, these proposals will lead to a better and more economic utilization of existing capacities.

The rapporteur does, however, ask the Commission to withdraw its proposal for a directive reducing the level of stocks from 90 to 54 days. We are able to support his request even though this proposed directive concerns the Member States and not the companies, whose legal situation has not changed at all.

The Commission will no doubt be able to enlighten us on this point. It goes without saying that if the Commission's explanations are satisfactory, the Liberal Group will be able to support its proposal. In general, we welcome any proposals by the Commission which are of a nature to encourage prospecting and production in the Community as well as the placing of stocks on a Community basis.

We hope that the Council will endorse our Assembly's recommendations so that a genuine common petroleum policy can be set up.

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

Mr Bouquerel. — (*F*) Mr President, ladies and gentlemen. I should like to begin in my turn by thanking and congratulating Mr Normanton on behalf of my group for the work he has put in and the competent way in which he has dealt with the difficult problem of the prospects for and requirements of a Community oil supply and processing policy.

The petroleum sector is one of the decisive sectors in the Community's energy supply policy. We are all aware of how complex the problem is and we have realized how dependent we are on the exporting countries and the dangers which this entails. This is why we hope that a genuine common market in energy will be achieved soon. But it is a hope that is being thwarted by the Council's passivity and by the lack of political will on the part of the Member States. The frequency with which meetings of the Council of Energy Ministers are held and what they have achieved are highly significant in this respect. However, although it showed the industrialized world and Europe in particular the weakness of economic growth based on cheap and plentiful energy supplies, the oil crisis which came in October 1973 with the outbreak of the Yom Kippur war should not be relegated to the limbo of memory, for the real energy crisis still lies ahead. It is more necessary than ever before to implement a long-term Community energy policy designed to help Europe preserve its independence and play its proper role in world affairs.

Too little serious attention is given to the European petroleum sector. The most pressing need is to place the Community oil market on a sound footing and to prevent distortions in competition. One of the most important requirements here is to bring clarity to the market in petroleum and petroleum products. Despite repeated warnings from the European Parliament, the Commission's efforts have not been enough to ensure genuine market transparency. Mr Normanton's excellent report deals essentially with the serious problem of refinery overcapacity in Europe. It must be realized that the oil industry is up against a serious structural crisis which it cannot overcome on its own. For this reason, the Group of European Progressive Democrats approves the guidelines contained in Mr Normanton's report.

The refinery sector can only be effectually reorganized with the assistance of the Community authorities, for without them it will be impossible to introduce the administrative, fiscal and social arrangements that must be made if success is to be achieved. The adaptation of the refinery sector to market requirements also depends on the organization of the European oil market as a whole. The example of Rotterdam is significant in this respect. The quotations on the Rotterdam market have taken on an importance that bears no relation to the marginal transactions on which they are based.

Finally, if we are to help the refining industry to readjust itself, we might do worse than make more rational arrangements for our imports of refined products from third countries, half of which reach us direct from the Soviet Union.

Coming to Mr Normanton's second report, on Community policy on the storage of crude oil and petroleum products, the Group of European Progressive Democrats warns against any reduction in buffer-stocks and agrees entirely with the conclusions drawn by the rapporteur. The vital need to provide for Europe's energy future and to forestall any serious crisis suggests, that we should not reduce but increase our stocks of hydrocarbons.

The Commission's proposal to reduce oil stocks from 90 to 54 days' consumption in certain circumstances must be strongly opposed. We cannot rule out the likelihood of a new energy crisis in the near future. If it were introduced, this measure could only make Europe much more dependent in a crisis situation. From the 1980s, and perhaps even sooner, Europe may well be faced with a difficult energy situation in which the level of oil stocks could dictate Europe's degree of political independence.

What we need to do, then, is to increase buffer-stocks while there is still time. The year 1980 would seem to be the final deadline for this purpose. Those who advocate a reduction in oil stocks argue from the development of North Sea production. This view entirely overlooks one aspect of the question, which is that, in a period of acute crisis, it is by no means certain that the oil-producing States in the Community would be prepared to share their wealth with the have-nots. In those circumstances, the only genuine Community policy should be one of crisis management to help all the Member States of the Community weather the storm.

For this reason, the Group of European Progressive Democrats opposes any reduction in buffer stocks and proposes that they should be substantially increased, beginning in January 1980. It is our contention that Europe's sovereignty and independence must be preserved. Even if it seems high, the price we must pay to maintain Europe's independence is still very low compared with the threat of subservience which would hang over us if Europe were unable to control its own future.

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

Mr Leonardi. — (*I*) Mr President, we largely approve the two reports by Mr Normanton. Indeed, for a number of years now, we have been in favour of any proposal to introduce a common energy policy and we have always criticized the fact that we have never had one, particularly in a region such as ours which imports and consumes a great deal of oil. We have

Leonardi

always pointed out that a common position is needed if we are to progress in this direction, but we do not have one, not only because our individual Member States have not the same interests but also because there are companies, both national and multinational, operating on the vast market of the Nine whose interests diverge, depending on whether the crude oil they process is their own or imported.

In his motion for a resolution, Mr Normanton deals specifically with a number of particular problems, such as the supply of oil and refined products and the processing of oil products. We particularly support the call for a common position and for greater transparency in the oil market made in paragraph 1 of the motion; the need for transparency has been stressed for some time now both by our own group and by others.

To put matters briefly, I feel that the measures proposed in the motion for a resolution are small steps towards curing our weakness, the twin causes of which are our complete dependence on the outside world and the fact that in action we are divided. If we were united, our position as the largest consumer of imported petroleum would become a position of strength. But we must not only act in unison; at the same time we must seek — as we are already doing — to reduce our dependence on the outside world and to push forward with cooperation with the oil-producing countries so that their dependence on us, as far as the supply of manufactured goods and the transfer of technology are concerned, becomes just as great as our dependence on them. This is a point to which I have drawn your attention on more than one occasion: security will assuredly not come from a higher level of stocks or from lower consumption but from the establishment of relations with the producing countries in which the bonds of interest that join them to us are just as vital as our own interest in their petroleum.

As regards the problem of refining capacity; we must realize that the period when refineries were mainly located near the areas of consumption is drawing to a close. The tendency now is to locate refining and other processing plants in the vicinity of both the place of consumption and the place of extraction. We shall have to strike the best possible balance between the two. This will, of course, require a considerable effort. Mrs Walz was right to say how gratified she was that several million tonnes of capacity had now been removed; I would point out, however, the cost of all this is by no means negligible in that very often the refineries affected have probably not yet been amortized. I do not therefore find it gratifying that some refineries should have been forced to close down simply because their capacity was severely underutilized; we ought rather to look at those investments, which have involved considerable outlay and form part of a very clear strategy, much more closely and consider the possibility of Community aid.

Speaking of my own country, for example, Mrs Walz pointed out that the situation was particularly serious as Italy, with 47 %, has the lowest rate of utilization of refining capacity. The process of adjustment will give rise to major regional problems in that much of this refining capacity is located in the Mezzogiorno. It is certainly rather strange that a country like Italy should possess the greatest refining potential. It may be argued that this is because Italy lies on the oil route, as it does for so many other products; I believe that the truth — and this is a criticism I level at my own government and not, of course, against this House — is that the incentives provided for the development of the Mezzogiorno were for the construction of refineries, cement factories, etc. — in other words, for large plant that created very few jobs in sectors which now find themselves in the sort of crisis which we have been talking about. It is therefore right to reduce capacity and to seek to accommodate the demand of the producer countries for some refining capacity near the places of extraction; but we should bear in mind the particularly pressing needs of certain countries like Italy which, for a number of years, have provided the other countries of the Community with refining capacity, with consequences to themselves, not least in the ecological sector, which cannot be dismissed as insignificant.

Coming to paragraph 5, which recognizes the need to set up a representative institution, my feeling is that this is quite a tricky point which merits further discussion. This institution would include groups and companies whose interests, as I have already pointed out, are widely different depending on whether they process their own or bought-in crude.

We are also in substantial agreement with the second motion for a resolution on oil stocks. It repeats the argument that stocks are no more than a marginal factor in the security equation and are certainly no substitute for the common policy which we have always called for as the only means of providing complete security. We do feel, however, that it is right to build up stocks to cater for emergencies. Mr Normanton quite properly emphasized the importance of building up a fully interconnected network: there can be no doubt that a network of this kind, that would pool the advantages of having different sources of supply, could, in emergencies, make possible a more intensive use of the Community's internal resources such as North Sea oil and Dutch gas. Stocks are therefore vital, and in this connection we should remember that the United States is at present pursuing a policy on stocks the cost of which to us is extremely high in that the steep rise in their oil imports is largely dictated by their desire to leave intact — and hence keep in the form of stocks — the underground resources which they possess and we do not.

Leonardi

I shall conclude by supporting the amendment to paragraph 8 proposed by Mr Guerlin. Mr Fuchs was right to say that we do not wish to see the costs of maintaining larger reserves paid direct from Community funds — this is the right way to avoid setting in motion a process which might end no one knows where — but it would not be right either to say immediately that an extra charge should be introduced to maintain larger Community stocks and passed on to the consumer, otherwise the first suggestion, at least in my own country, would be for an extra charge to cover larger stocks recommended or imposed at Community level.

President. — I call Mr Brosnan.

Mr Brosnan. — Mr President, like my colleagues, I too would like to thank the rapporteur for the excellence of his two reports. I think they should go a long way to establishing a real basis for a genuine long-term common energy policy for the Community. This is long overdue, and for that reason alone he deserves our gratitude and our congratulations. I agree generally with the guidelines contained in the reports as forming the only effective approach to providing the structures which I think are necessary, from the fiscal, administrative and social points of view, if we are to get to grips with this problem, which has been neglected as others who should have dealt with the matter refused to face it in the past.

I would like to refer briefly to the position with regard to this problem in my own country, Ireland. The position is unusual if it is not unique — it certainly is unique in the Community. Firstly, in my country we have an oil refinery, which produces something in the order of 50 % of our national requirements; and secondly, we are engaging at present, and will continue to do so over the coming years, in an extensive hydrocarbon exploration drive. Now, in the event of oil being found, I think it would be naïve and unrealistic to expect that we in Ireland should not be permitted to refine it in our own country. For that reason, the position of the Irish Government is that, firstly, we should be permitted to expand our refinery so as to satisfy our own national requirements and, secondly, in the event of hydrocarbon being found in the near future within our territorial jurisdiction, we should again be allowed to refine that in our own country.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, ladies and gentlemen, in the course of this debate we have heard in detail how difficult a position the refining industry is in Europe and I need add nothing to what has already been said. For a very long time now, our Community refineries have been

working to about 60 % of capacity. The figure is too low to live on and too high to die on. As a Community, we cannot allow this situation to continue. The Commission has therefore come up with a policy for the refining industry that has been, and is still being, discussed with the industry itself and the trade unions; it is a policy that appeals to voluntary restraint, to the reciprocal provision of information and to economic forecasts. It makes use of the instruments available under the Treaty, by which I mean the possibility of prohibiting national or regional subsidies under certain circumstances. We are seeking to secure acceptance for this policy in the Council of Ministers, and that is not an easy task. On 30 May, the Council of Ministers will be debating this policy for the fourth time. But we must not make the mistake of concluding from the Council's failure to take decisions that the European Community has no policy for the refining industry or that, without the express approval of the Council for every planned measure, improvements are impossible. That would be a mistaken view. Improvements can be made and strains removed even if the Council needs time to give full approval to Community policy, an objective towards which we are progressing.

Some improvement, timid though it may be, has been achieved in the past two months. We have succeeded in closing down a fraction of our plant. Roughly 80 million tonnes of our annual overcapacity of 140 million tonnes have now been withdrawn. We must try to withdraw the remainder, even if in some cases the shut-down will only be temporary. The Council's support would be welcome here. It would also be a good thing if the Council could see its way to support us in another sector which we have very much in mind; I refer to the protection of our external front, by which I mean that we must ascertain from statistics the quantities coming into the Community and do our best to prevent any increase in imports in 1978.

But let us not make the mistake in this House, so often made in the Community, of thinking that there is no policy because there has been no Council decision. There is a policy and there are opportunities of pushing it through, step by step. We as a Commission and I personally shall do everything that is possible to ensure that a policy designed to stabilize what is temporarily an unstable market in Europe is gradually put into effect.

Over the years, you have had the opportunity to follow what I have been doing in the research and energy sectors. I believe you have seen that we have succeeded in doing things which at first sight seemed virtually impossible. We have achieved this against opposition from many quarters and always with your support. I would remind you of the JET project, which everyone thought was doomed. I would remind you of the energy research programmes. I would

Brunner

remind you of the four-year programme for the research institutes.

We have brought these things off and we have done it in a low key, but also by perseverance. I would say to you today in the same low key that with the continued support of industry and of the appropriate trade unions, we shall also succeed in improving the refining situation in Europe.

We have provided for a whole range of measures which are only now beginning to bite. I had talks with the trade unions and talks with industry on 10 March of this year. It was the first time that all of those concerned in Europe had sat down at the same table to discuss the problem. I share the view put forward in Mr Normanton's excellent report that it might well be useful to set up this group of people as a consultative committee on a permanent basis. But the main responsibility for arranging this cannot be placed on the Commission. The desire must come from a large majority of the trade unions and companies concerned. The Commission can do no more than express the view that a consultative committee on the same lines as in the coal industry could do a useful job. But we shall not force anyone to take this course. I am certain, however, that the satisfactory outcome of these first voluntary attempts at cooperation will make many people think, including those who are still worried that some aspect or another of voluntary cooperation on those lines might perhaps impinge on American anti-trust legislation.

We in the Commission do not take this view. What we have in mind will be based on an exchange of information between the companies and the Commission. There will be no exchange of information between companies. What we have in mind is an economic forecast that tells us, for instance, that next year's production rise should not be greater than two per cent. The actual figure for 1978 looks — thank goodness — as if it will be lower, and closer to a one-per-cent rise.

There is nothing in what we as the Commission are doing in this sector that smacks of a cartel. This should be made perfectly clear in this House to all concerned, whether they are European or American companies. It would be a pity if in a sector where European interests are affected and European jobs are at stake, a broad interpretation of American anti-trust legislation were to introduce difficulties into the process of reorganization. I say this with all due frankness and I say it so that all who are interested may hear.

We shall continue on this course and we shall keep you informed of developments. I have noted from my talks with the oil-producing countries — last week I was in Kuwait — that third countries are following our efforts to reorganize the refining industry in Europe with the greatest interest. They are aware that over the next few years up to 1982 or 1983 there will certainly be no market here for additional products.

There will be no market here because we shall be temporarily faced with a surplus. No matter how difficult it is for the individual consumer to realize, we must tell him that this temporary surplus does not mean that we shall be rid of the major problem of oil shortages from the mid-eighties onwards. The problem lies waiting round the next corner, ladies and gentlemen. The European economy would be ill advised not to prepare itself in time for the situation of shortage that will arise in the mid-eighties. But preparing for it does not mean that we should now act uneconomically in the short term and that, faced with the prospect of shortages, we should not do our utmost, wherever we can, to act economically in the short term as well. This includes the attempt to reorganize the temporarily unstable refining industry. It also includes the attempt to find a more reasonable short-term arrangement in the matter of stocks.

You have criticized our proposal to reduce stocks from 90 to 54 days' supplies. You have criticized us for proposing that 15% of national production, of Community production, should count towards stocks. The first thing this criticism overlooks is that our proposals fall far short of those put forward by the Energy Agency in Paris. The Paris Agency has proposed that national production should count in its entirety towards stocks.

We have not gone as far as this. What we are saying is that this temporary easing of the burden on companies and consumers is feasible. It is feasible on the strength of the present situation. Storage costs in Europe at the present time are running at 6 dollars per tonne. This is a considerable cost burden and — on this point the motion for a resolution logically refers to the consumer — it is a burden which is ultimately passed on to the consumer. No matter how we look at it, no matter what is said or left unsaid, these additional costs will be passed on to the consumer, the market situation permitting. If the market situation does not permit it immediately, it will occur at a later stage.

We take the view, however, that in any assessment of Europe's overall position in an emergency, it must not be forgotten that the Community can obtain some considerable part of the supplies it need from North Sea oil. Now I am certainly not saying that Britain's North Sea oil would be at the disposal of the Community. I am simply saying that in a crisis it should be possible to count British North Sea oil supply commitments towards the oil stocks of other Community Member States which do not produce oil in worthwhile quantities. I feel that this would be compatible with a sense of burden-sharing within our Community. Anyone who sees in what I have been saying an attempt to gain control over national oil production is wrongly construing this proposal and would, in my view, reveal an overweening sensitivity that would throw a dubious light on his Community spirit. I feel that the time has come to say this frankly in this House.

Brunner

I would therefore call on you to agree to the Commission's proposal for reduced stocks. It is not a risky proposal, for if it were, we would not make it. It is not a risky proposal because recourse to Community production is a real possibility. Nor is it psychologically risky. I believe we can take it that the people of Europe are sufficiently well informed to see that a measure of this kind would not be meant as an incentive to renewed oil consumption on a massive scale. On the contrary, the people of Europe are fully aware of what awaits us in the mid-eighties. But we cannot expect the people of Europe to accept at this stage, in anticipation of the situation as it will then be, costs which cannot be justified from the short-term economic point of view. I would be the last person not to demand sacrifices of the people of Europe when they were necessary. In cases where they are not necessary, where the strain on industry and on the consumer can be responsibly relieved, I recommend it with the same calm certainty as I would call for sacrifices wherever necessary.

Such is the situation and I have described it as accurately as I can. I believe that the only way is to proceed as we have proposed.

President. — I call Mr Fuchs.

Mr Fuchs. — (D) I should like to put a question to Mr Brunner. He said that a stock reduction of 15 % could be made if it were covered by national production, but according to the third proposal the figure allowable is 40 %. Would he please explain the difference between the two figures?

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, the situation is that since 1968, the permissible reduction has been 15 %. We now wish to raise this figure to 40 %. Mr Fuchs is absolutely right, and I would apologize if I did not express myself clearly on that point.

President. — I note that no one else wishes to speak. The motions for resolutions, together with the amendment which has been tabled, will be put to the vote tomorrow during voting-time.

The debate is closed.

14. Regulation on hydrocarbon exploration

President. — The next item is the report by Mrs Walz, on behalf of the Committee on Energy and Research (Doc. 90/78), on

the amended proposal from the Commission to the Council for a regulation on support for joint hydrocarbon exploration projects

I call Mrs Walz.

Mrs Walz, rapporteur. — (D) Mr President, ladies and gentlemen, the question of support for hydrocarbon exploration, i.e., petroleum and natural gas, has been discussed several times by this House. On 10 April 1975, on a report by Mr Normanton, Parliament approved the Commission's proposal for Community aid, subject to only one amendment. The Council, however, has still not taken a decision in the matter. Because of further developments in the meantime, the Commission amended its proposal and in November 1977 again placed it before the Council. The Committee on Energy and Research received the amended proposal for information only and concluded on reading it that a number of changes were necessary. What the committee wished to do was to restore the earlier situation on a number of points. That is covered in paragraph 5 of the motion before us today. For other points of substance I would refer you to Chapter 2 of the explanatory statement.

In view of the uncertain future facing the energy sector, no one is likely to object to the Commission's intention to increase the amount of aid for hydrocarbon exploration in the Community Member States and in their maritime economic zones, particularly as the aid is to be refundable if discoveries are made.

There is a lot more to be said, however, about the political procedures and the assignment of responsibilities between the various Community institutions. The reason why the Committee on Energy and Research is reporting to Parliament today is that we happen to be the committee concerned; before much longer, all of the other committees may be equally involved. I say this because, when we came to discuss the amended proposal for a regulation, we heard the views of the Legal Affairs Committee, subsequently set out as an official opinion, and realized that, even from a procedural point of view, the changes to the original proposal were so serious as to make a second consultation of Parliament necessary. The Commission was not of this opinion, but the President of the European Parliament took sides with the Legal Affairs Committee and ourselves. He therefore approached the Council with the request that Parliament should again be consulted. The Council acceded to his request but did not agree with the legal justification we put forward. We, however, continue to share the Legal Affairs Committee's view, which have been endorsed by the President and are to be found in the Legal Affairs Committee's opinion attached to our report.

The Council has presumably kept putting off a decision for the past three years because unanimity was not achieved. If a decision had been taken earlier, the political problems that need to be dealt with today would probably not have arisen. I am unfortunately unable to say what vital interests of which Member State prevented a decision from being taken. But what is vital is precisely the opposite: hydrocarbon exploration should be pursued where we can intervene politi-

Walz

cally and discoveries made as soon as possible, for we may need them sooner than we perhaps realize.

As reported in the press, the Commission has now forwarded a communication to the Council dealing with the likely accession to the Community of three more countries. It is apparently said in this communication that, if there is to be a twelve-member Community, the Council must switch from the unanimity to the majority principle in its decision-making as soon as possible, for otherwise it might well be found that no decision were taken at all and no further Community acts could be passed. The Commission is right to point this out, but it seems necessary to me that this demand should be met here and now. And it is precisely on energy policy that the time for decision is more than ripe. The consequence of the present dilatoriness is that energy-policy decisions are indeed taken, although not by us but by others over our heads. The Committee on Energy and Research will shortly be submitting a report on relations between the Community and the OECD's International Energy Agency. The report will discuss this problem at greater length.

A passing reference to one point, however, might not be out of place. As a result of the close cooperation between the three committees who had a hand in today's report, we came of our own accord to scrutinize the relationship between the institutions of the Community and their responsibilities, and this is a highly interesting political problem. This became clear from the structure of the amended proposal for a regulation and its appendix, which proposes rules of implementation. Paragraph 8 of our motion for a resolution, taken in conjunction with the usual safeguard clause at the end of paragraph 9 on the maintenance of Parliament's budgetary powers, reflects the outcome of our scrutiny. The background will be found in points 22-31 of the explanatory statement, which are grouped together as Chapter 4 under the significant heading "The responsibilities of the Community Institutions under the proposal." What has happened today with a regulation on energy policy, supplemented by a proposal for what are apparently rules of implementation which, when looked at more closely, turn out to be something quite different, can — as I said before — also happen to you in all the other committees. We as a Parliament must simply keep our eyes open. Attentiveness to such matters is particularly called for in the run-up to direct elections in order to avoid undesirable *faits accomplis*.

The Committee on Budgets pointed out to us that the proposed implementing regulation — on which we as a Parliament are naturally not consulted — contains things which ought to be included in the main regulation if this House is to uphold its budgetary powers. Council and Parliament together form the Budgetary Authority, the Council alone has legislative powers. The Committee on Budgets fears that the constantly repeated attempts to introduce financial decisions into legislative texts will undermine Parliament's budgetary

powers. There is some justification for this here. A similar attempt was made — though not under cover of the implementing regulation — with the report by Mr Fuchs on the research programme for the recycling of paper and pulp. With your support, ladies and gentlemen, we fought back on that occasion and in the case before us today, we have adopted the views of the Committee on Budgets. Who would suspect political pitfalls in so seemingly technical implementation proposals as those for hydrocarbon exploration or the recycling of paper and pulp? Perhaps we shall have to expect similar pitfalls in future. We therefore share the view of the Committee on Budgets, whose opinion was sought in this matter, that in this particular case budgetary measures were subordinated to the legislative powers of the Council under the double cover of a regulation and an implementing regulation. The budgetary powers of Parliament, which is consulted on the regulation but not on the implementing regulation, are thereby undermined. For this reason, implementing regulations must be made a decision for the Commission relating to the individual projects under the main regulation. As matters stand at present, implementing regulations make individual projects, and hence the financial aspects involved, subject to a Council decision. If implementing regulations were decided not by the Council but by the Commission, the text itself would remain unchanged except for the heading. But if it remains in the form of an implementing regulation issued by the Council, it will, as an instrument, serve a purpose for which it is not intended either in a Member State or in the Community as a whole. It detracts not only from the hard-won powers of Parliament but also from those of the Commission. It would, of course, be the Commission's business to protest against this state of affairs, but since the powers of Parliament are also affected, we too must take up cudgels.

In addition to its budgetary powers, Parliament also has powers of supervision over the Commission. Over the years, the Commission has had to cede some of its *de facto* powers to the Council. This is a widely known fact. Under the Treaties, Parliament exercises supervision over the Commission but not the Council. The Treaties, however, also lay down the areas of responsibility of the Commission. If, because they are not exercised, some of these responsibilities are transferred *de facto* to another Community institution, Parliament must be able to supervise that other institution to the extent that the latter exercises powers which the Treaties assign to, but are not used by, the Commission. The Treaties do not give Parliament powers of supervision over the Commission because it is the Commission but because it is required by the Treaties to exercise powers that are subject to parliamentary control. If those powers are passed on, no matter how, to another institution, Parliament's powers of supervision do not thereby lapse but should be exercised *vis-à-vis* the institution which takes over the responsibilities assigned by the Treaties to the Commission.

Walz

One of the reasons why the parliaments of the Member States, to which we also belong, ratified the Treaties of Paris and Rome was that they gave the European Parliament powers of supervision over the executive institution. Each of our Member States recognizes the rule that legislative provisions must be interpreted in good faith, and each of them likewise recognizes the rule of international law which says that treaties must be honoured.

Having made those two points; I feel that there can be no other interpretation than the one which I have just expounded. We have made this clear in point 27 of our explanatory statement. We followed this up in point 28 with a reference to the principle of the separation of powers as it is applied in all of our Member States. But it does not seem to apply fully in the Community, where very often the tasks of those with political responsibility are carried out by officials. Although we have not gone more deeply into the problem to which this gives rise, other committees or bodies in Parliament will have to look into it sooner or later. We shall have to leave our house in order for our directly-elected successors in 13 months' time. We must not therefore allow even one scrap of our few hard-won powers to be taken away from us.

Such is the background to the legal and political considerations to which the consultation of Parliament on a seemingly technical problem such as energy exploration gives rise. I would ask you to approve the motion for a resolution and, at the same time, add a word of explanation on paragraph 10. You all have before you my proposed amendment No 1, calling for the introduction of a conciliation procedure should the Council intend to depart from the opinion submitted. This amendment, which in fact is no more than an addendum, was tabled for the political reasons that you have been given orally. Without it, the Council might well override the demands we have made. But in this case, the institutional and political aspects are bound up with budgetary considerations, which suggests that it would be proper to use the budgetary instrument of conciliation between Parliament and Council. For this reasons, I call on you to approve the amendment.

President. — I call Mr Guerlin.

Mr Guerlin. — (*F*) Mr President, ladies and gentlemen, I wish to say that my group fully agrees with the report that has just been submitted. As it is a full report that contains all of the explanations and reasons for its adoption, I do not see why I should prolong this debate by repeating badly what Mrs Walz has said so well.

We do not agree with the new Commission proposals on Community aid for hydrocarbon exploration. Its initial proposals were good ones: they were adopted by this House but blocked by the Council, doubtless

for reasons of national interest of which we are unaware. We fully appreciate why the Commission has submitted fresh proposals. It has an obvious concern for efficiency and is probably anxious to see this problem solved at an early date. To this end, it has submitted new proposals which are in line with the Council's wishes and concerns.

Some of the new proposals are of a technical nature and these, I think, will be approved by everyone as they make adjustment to technological progress, but there are others of a political nature which seek to whittle down the power of the Commission to the advantage of the Council and hence of the Member States. This we cannot accept.

We are therefore in full agreement with the proposed amendment to Article 5, every word of which we approve. The same applies to the amendment that seeks to replace a Council proposal for a regulation by a draft decision by the Commission, and our reasons here are exactly the same as those which have just been put forward, particularly on the budgetary side. This too explains why the Committee on Budgets has approved the motion.

We take the view that the decision lies with the Commission and not with the Council. For if we have properly understood, where the power of decision is in the hands of the Council, each project would have to be submitted, considered and a decision taken and this would cause considerable delays, with any state raising political obstacles at each stage of the procedure.

For this reason, we agree entirely both with the new wording of Article 5 and the amendment concerning the draft decision by the Commission. We hope that the Members of this House, who must appreciate the Commission's concerns but must also have an eye for the interests of Europe, will give their full support to this report and the Commission's proposed amendments.

Finally, I would thank Mrs Walz for the comprehensive and extremely clear report she has submitted, which makes it unnecessary for me to say anything further.

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

Mr Luster. — (*D*) Mr President, ladies and gentlemen, on behalf of the Christian Democrats, I should like to compliment Mrs Walz not only for covering the topic most comprehensively and convincingly but also for having pointed so unerringly to the legally relevant issues which — as she herself said — happen to crop up in this context although they have a wider general significance. The Christian Democrats find it incomprehensible that the Commission and Council should have taken the view that there was no need to resubmit the amended regulation to Parlia-

Luster

ment for an opinion. As it originally stood, Article 6 required companies in receipt of Community aid to exchange information. This established the principle that special treatment went hand in hand with appropriate obligations. We cannot understand why this principle should fall by the wayside. This is a point of substance, but the procedural issue is that Parliament was consulted on a regulation which was subsequently amended in a way that could not be foreseen when it was first asked for an opinion. We consider that the amendment was an important and essential one and should have been followed by further consultation of Parliament.

The next important point has to do with the time-scale of the proposal; initially at least, there necessarily seemed to be no time-limit and the Committee on Legal Affairs was right to point out in its opinion — we stress this as a point of procedure as well as of form — that the change from a proposal without a time-limit to one with a time-limit must be regarded as an important change which required further consultation of Parliament.

When we come to discuss the common fisheries policy the day after tomorrow, we shall again be dealing with the relations between Parliament, Council and the Commission. I should like to keep something in reserve for that debate, but I would nevertheless proffer a few comments at this juncture. In delivering a favourable opinion on the first version of the regulation, the European Parliament assumed a share of responsibility for all of the provisions contained in the regulation. The underlying reason is that every regulation forms an entity that refers to and is designed for a specific purpose. There is a close inner relationship between the provisions it contains.

A further decisive factor in the European Parliament's decision to deliver a favourable or an unfavourable opinion on a regulation is its overall assessment of the contents of a proposal. If, by delivering a favourable opinion, Parliament assumes a share of responsibility for the regulation as a whole, then any subsequent amendment to this regulation removes the basis on which it gave its approval. Parliament cannot be forced against its will to relinquish the responsibility it has accepted for a regulation once submitted for an opinion. Consultation of Parliament as provided for in the Treaties must not, as a result of practices that are not in line with the spirit or letter of the Treaties, lead to a shift in the system. Furthermore, it would, in the nature of things, be completely senseless and curtail Parliament's rights under the Treaties if the requirement for an opinion on a regulation could be set aside by subsequent amendments to that regulation.

Ladies and gentlemen, there are borderline cases in law, of that there is no doubt. Law is not like mathematics and is subject to the constraints of time and place. But law also contains unshakable principles,

and for us one of these is unquestionably the principle of democracy and the rule of law, including the separation of powers. I am surprised that in such borderline cases as we have today and will have the day after tomorrow, the Council and also the Commission opt for the easier course of not consulting Parliament. In my view, it is for all of us a sign of advanced political development that we have a Parliament at all — which has not always been and even in our own times is still not everywhere something to be taken for granted — and that there is an opposition in Parliament which brings into play the forces of opinion and counter-opinion; surely this must be useful to a Community institution that plays a part in shaping a stable Community. Efforts must therefore be made to ensure that this process involves and does not shut out our Parliament.

Consultation of Parliament is, to my mind, not only a question that we have to assess in the light of direct elections. The proper involvement of Parliament is a factor making for stability in the Community. This is what brings transparency to the decisions taken by the Community and if there is one thing, ladies and gentlemen, that will make the election campaign difficult for every party in Europe — and here I put forward my own opinion and do not speak for my group — then it is the lack of transparency which has so far been a feature of the decisions taken by all of the Community's institutions.

We must all do more in this respect. It is not simply a matter of having a proper market; it is equally important for us to have a good political order in the Community, thus making it attractive to all those — and there are unfortunately enough of them in today's world — who still do not share the principles of democracy and the rule of law which we take for granted. Ladies and gentlemen, I took the floor on what is a practical topic but there is more to it than that. We must all endeavour, in our mutual interest, to take each other seriously and to involve each other in the process so that the many outside whom we represent will understand more of what we are doing.

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

Mr Damseaux. — (*F*) Mr President, the Liberal Group fully agrees with the Commission's regulation on support for joint hydrocarbon exploration projects. We were the first to call for a common energy policy, for a common energy policy will give us greater independence in the matter of energy supplies. This purpose will be excellently served by the development of hydrocarbon research and even more by financial support for joint hydrocarbon exploration projects.

I wish to thank Mrs Walz for the excellent report she has drawn up on behalf of the Committee on Energy and Research. She did, however, have two important

Damseaux

reservations to make. She found it regrettable, first, that projects can no longer be initiated by the companies and, secondly, that companies in receipt of Community aid were no longer required to exchange information.

I take a less trenchant attitude towards the first point, for in practice the projects submitted by the Member States will take in groups of companies. Moreover, the working-party of experts which the Commission convened to decide on projects for investigation also included representatives from industry. They preferred to see the Member States and the Commission take the decision on areas that are difficult to explore, for Industry does not wish to embark on a course where the economic risks are too substantial.

The second reservation is fully warranted by the scope of the projects and the financial aid involved. But since the requirement will be limited to three years, the principle must therefore be restored.

I should also like to ask the Commission for details of how the programme will be run. The Commission must be perfectly well aware that companies will not be interested in those projects unless they obtain certain advantages from the Member States — in other words, concessions to operate any deposits discovered. Quite apart from the important subsidies granted by the Community, should we not consider making recommendations to the Member States along those lines?

In conclusion, I should like to express my group's support for the Committee on Budgets' request that Parliament should play a full part in the decision-making process for the funding of those projects. The Commission is affected just as much as Parliament and should support our request.

Our wish to see those amendments adopted by the Council does not prevent us from giving a favourable opinion on the principle of this regulation.

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

Mr Bouquerel. — (*F*) Mr President, the policy of support for joint hydrocarbon exploration projects is not a fantasy but a necessity. Like Mrs Walz, the Group of European Progressive Democrats deeply regrets the Council's failure to take action for more than three years, despite the efforts made by the European Parliament to enter the necessary funds in the Community's budget. The impression is once again given that the Council is incapable of implementing a genuine common energy policy.

Our assessment of the amended proposal for a Council regulation tallies with the rapporteur's. While we can approve those amendments to the Commission's initial proposal that ensure adjustment to technological development, we strongly regret that some of the provisions contained in the original proposal — the right of companies to request Community support and the requirement on companies in receipt of Community aid to exchange information and cooperate — have been left out, and we ask the Commission to put them back in again. For those reasons, the Group of European Progressive Democrats fully approves the motion for a resolution contained in the report by Mrs Walz together with the proposed amendments.

Finally, the Group of European Progressive Democrats also finds it unacceptable that implementing regulations should be used as an instrument to deprive Parliament of the budgetary powers guaranteed under the Treaties. The regulation and the implementing regulation should therefore be amended to get rid of those elements that jeopardize the powers of Parliament, without, however, divesting the Member States of the powers which are rightfully theirs. The steady erosion of the responsibilities vested in the Commission, which is the only institution responsible to this House, proportionately reduces the powers of supervision of this Parliament.

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

Mr Leonardi. — (*I*) In her excellent presentation, Mrs Walz set out the reasons why we should approve her report. I should like to say that we agree with the objectives of this measure, with the observations she made on relations between the Commission and Parliament and between the Council and Parliament, and also with those on the problem of budgetary powers.

I should simply like to add that it would perhaps have been advisable for the Commission, when submitting proposals of this kind — involving a total expenditure of 25 million u.a. spread over three projects — to have given in its explanatory memorandum an idea of what this expenditure means in relation to aggregate spending by the private and public sectors. Parliament would thus have had a clearer picture of what this proposal signifies at a time when we are all aware that there is a fairly precise relationship in this sector between the size of investments made and the results obtained.

This is my only comment, prompted by a perusal of the Commission's explanatory memorandum, which explains the criteria that governed the selection of the three projects but does not provide an overall view of what is being done and what could be done to achieve the results that we all hope for.

Leonardi

I shall therefore conclude by expressing our support for the motion for a resolution.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, much of what has been said today is consonant with the Commission's own interests. It has always been in our interests too to ensure that Parliament's authority is upheld, otherwise, in the institutionally anchored relationship between the Council of Ministers and the Commission, the scales would weigh too heavily on the Council's side. In this particular case too, we are opposed to any curtailment whatsoever of Parliament's rights. We should simply like to make it clear that we have here a special set of circumstances. But this does not mean that my conclusions would run counter to your own views in the matter.

I shall state these conclusions in advance; from the Commission's point of view, we are leaving the matter open for the time being. We are leaving it open because we wish to look into the details more closely. We wish to point out, however, that the procedure adopted here should be different than in the case, say, of Regulation 3056 on hydrocarbons, where the Council is calling for quite exceptional powers of decision over the individual projects. Here we cannot share the views expressed by some members of the Council. What would happen in this case is that the regulation would be taken as a framework in accordance with the usual procedure.

The line taken by some members of the Council is this: we want to be able to append a theoretical figure to the individual projects and to allocate them by area. But this does not mean that we deny you, the Commission, the right to decide on the projects one by one or that we wish to curtail in any way the right of the companies interested to make applications.

The case, then, takes on a slightly more complicated aspect. We have a combination of the demands made by the Council or Council members in the matter of theoretical financial determination and allocation by area with the responsibility of the Commission for dealing with and approving individual projects. This makes the situation somewhat complicated. It is also made complicated by the overlapping and strains between the institutions that have been referred to in the course of today's debate. I repeat: the Commission has not yet reached any final conclusion on the matter as a whole.

President. — I note that no one else wishes to speak. The motion for a resolution, together with the amendment which has been tabled, will be put to the vote tomorrow during voting-time.

The debate is closed.

15. *Petition on enquiries into the political affiliations of Commission officials*

President. — The next item is the report by Mr Hamilton, on behalf of the Committee on the Rules of Procedure and Petitions (Doc. 336/77), on

Petition No 13/76, by Mr Jean Feidt and 15 other members of the Staff Committee of the European Parliament, on enquiries into the political affiliations of Commission officials.

I call Mr Luster.

Mr Luster, deputy rapporteur. — (D) Mr President, ladies and gentlemen, I shall begin by craving your indulgence. My credentials as a rapporteur in this case are such that my presentation will be short enough not to overpresume on the lateness of the hour. We have before us an interesting case which would have merited discussion at an earlier hour and before a fuller Chamber, for the question is one of basic rights within the European Community. Although the motion for a resolution submitted by the committee appears to consider the petition unwarranted, it nevertheless makes it clear that the matter submitted by the petitioners will be dealt with.

The petitioners claim that on recruitment or in the course of their employment, officials of the European Communities are asked to complete questionnaires containing questions which they regard as unjustifiable and ask Parliament in their petition to carry out a number of checks.

The committee has ascertained that for various reasons these checks are impossible. As far as the first three requests are concerned, it would mean obtaining the approval of the two other institutions, Council and Commission in addition to Parliament, for under Article 26 of the Staff Regulations personal files must be handled confidentially and can only be inspected on the premises of the administration. The committee therefore considers that it is not in a position to recommend a check of this kind to Parliament.

The committee's view on the petitioners' fourth request, calling on every Community institution and body to adhere to the provisions of the Staff Regulations, is that a positive reply might imply interference with the responsibilities of the Court of Justice.

The fifth request is for a report to be published on the checks requested. The committee would have been pleased to meet this request had it been able to approve the checks called for in the four previous points.

The committee decided to recommend to the House a resolution making it absolutely clear that there must be no interference with the right of officials to freedom of opinion but that, on the other hand, it should be understood and appreciated that the Commission must be able to satisfy itself as to the reliability of officials who carry out duties of a special confidential nature. Checks must be carried out for this purpose.

Luster

Since the Commission has no security service of its own, these checks are carried out by the Member States. The committee supports and approves this practice in its motion for a resolution. What cannot be approved, however, is that there should be special personal files and, even less, that these should have a negative influence on the official's future career. The positive aspect of the matter — if I may say so — is the suggestion that at least the questionnaires put out by the individual Member States should be coordinated.

The Legal Affairs Committee considered the matter at length. The Commission was heard and, as explained in greater detail in our report, provided the committee with reassuring information. Three amendments were proposed in committee, and they are now before the House together with the motion for a resolution. These proposed amendments were rejected in committee by five votes to one and, on behalf of the rapporteur, I have to recommend that these amendments should not be accepted.

Mr President, I have two tasks. I have attempted to give a brief introduction to the report, a much briefer one than it really deserved, and now I should like to make the following points on behalf of the Christian-Democratic Group.

The main point is that there must be no encroachment on freedom of opinion in the Community, and this also applies to officials. They should not, of course, shout their opinion from the rooftops where official matters are concerned and they should exercise all due tact whenever they feel that the occasion warrants it. This may mean, incidentally, that in the course of their duties they will perhaps draw the attention of their superiors to infringements of the rules.

The second point to which we attach importance is that there should be no special personal files, and especially none — this goes without saying — that could rebound to the official's disadvantage. On the other hand, we cannot escape the fact that there must be security checks for staff assigned to confidential duties. The Treaties provide for this in the case of what I might perhaps call normal officials when they are engaged in special duties, and this kind of case is more clearly observable in the nuclear sector. This is only right and proper, and here a balance must always be struck between freedom and security, meaning as much freedom as possible but also as much security as necessary. There are many who say that in doubtful cases freedom should prevail. I would say that in doubtful cases what should also prevail is freedom for everyone. When there is opposition between the State and the individual, the individual's freedom should not be curtailed unnecessarily. When too much freedom brings danger to everyone, there must be protection.

The problem of confidentiality, ladies and gentlemen, is an old one. You will remember that 'Secret' is the root of the word 'secretary', and secretaries are something quite common and secretaries-general something quite important. They are really people in a position of special confidence. We do not want to see any secret and mystery-mongering anymore than we want to see witch-hunting and snooping. But — and the petitioners must also appreciate this — no one should be asked to do too much and no one should be put in temptation's way, for many a man with a certain outlook on things can fall a prey to conflicts of loyalty; those who employ our officials should be aware of this and the official must appreciate that this is necessary.

The amendments — if I may say so to my colleague who will take the floor after me; the intention is not as nasty as it sounds — are, to my mind, a bit like throwing out the child with the bathwater. To sum up, the Christian Democrats endorse the report, will approve the motion for a resolution and particularly welcome the fact that the Legal Affairs Committee, through Mr Santer, has adopted such a balanced attitude. The EEC officials can rely on our support when it comes to the question of fair treatment. I am glad that approaches have often been made to Parliament in the form of a petition, even if the petitioners feel that we have not perhaps done all that much. But sometimes it helps — and I have tried to say this in another connection — when a matter is simply brought to the public's attention. This is what has happened here, and we should be grateful to the petitioners.

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

Mr Dondelinger. — (*F*) Mr President, ladies and gentlemen, I can be very brief because I stated my point of view in December when we first debated the Hamilton report on enquiries into the political affiliations of Commission officials, or at least of certain Commission officials.

In December I brought up and supported two amendments proposed by Mr Lagorce. Today I should like to begin by thanking Mr Luster for resubmitting this report, its author being absent because of his dual mandate.

I must emphasize that I deeply regret that the committee responsible, the Legal Affairs Committee, has not to my knowledge found it necessary to reconsider the report since December, when the European Parliament made the request and referred the report to committee so that it might do so.

And that is also why I cannot share Mr Luster's view when he says that his group will not support Mr Lagorce's amendments. On behalf of the Socialist

Dondelinger

Group, I should like to move them again and ask that a new paragraph 1a be added after paragraph 1, to read :

Condemns the practice of enquiring into the opinions of certain officials and staff of the European Communities.

I would also ask you to add a new paragraph 4a after paragraph 4 to read :

Requests that the officials and staff of the Communities should have access to all documents in their personal files and all other documents concerning them.

These two amendments seem self-explanatory to me and need no further comment. As for the root of the problem, let me simply repeat what I said in December : freedom is one and indivisible, and when we tamper with this freedom, we may know what the first step in the process is but we can never know where or how it will end.

President. — I call Mr Lemoine on behalf of the Communist and Allies Group.

Mr Lemoine. — (*F*) Mr President, let me begin by making two comments.

Firstly, let me note that after many postponements and delays in arranging the debate on the Hamilton report, it was finally entered on the agenda for a Monday. We are all well aware that that day, like a Friday, is not particularly suitable for important debates. Nevertheless, we are glad that this important report is finally to be debated, but we regret that it was not held, as I proposed in my speech on 14 April, on a more suitable sitting day.

My second comment is closely linked to the first and to the fact that so few Members are present in the Chamber. I should like to remind you of today's date, 8 May, and recall that 33 years ago we were witnessing the end of a vast tragedy : the end of a war which had steeped Europe in blood, claimed tens of millions of victims and during the course of which not one of the Community countries was spared this terrible slaughter. On 8 May 1945, the Second World War came to an end with the victory of civilization over barbarism ; we must never allow the crimes committed by the Fascist barbarians to be forgotten or the memory of its countless victims to fade. In France today, the eighth of May, at this moment, in every town and village, in front of every war memorial, the crowds are gathering, remembering, witnessing. Allow me, a man who 33 years ago was wearing the striped uniform of those deported to Nazi concentration camps, to express the wish that in future our European Parliament should not sit on 8 May.

Let me now return to the Hamilton report. In November 1976, more than 18 months ago, the Community public read in the press, notably in *L'Humanité*, that several hundred European officials of all grades were being asked to fill in a most disturbing questionnaire. Amongst other things, they

were asked to state their political views and they were encouraged to denounce other people. Today these facts are known. What is less well known is the fact that consideration of this report has been repeatedly delayed and that answers to questions that we and other Members have tabled to the Commission on this subject have been deliberately vague. Answers given to specific questions tabled by Members of our Assembly have most frequently met with a refusal to reply or a significantly off-hand attitude. Most of the questions have received the same dilatory answer to the effect that : 'The Commission has nothing to add to the answer it gave to Mr Sandri's Oral Question No H-169/76 on security questionnaires'. What is more, in reply to a question on cooperation between the Commission and national police forces, that institution went so far as to say ; 'It [the Commission] maintains with the authorities of the Member States the relations which it feels are necessary for it to carry out the tasks assigned to it'. I could, of course, give you many more examples of this kind, but I think it would be better to use this debate on the Hamilton report to ask the Commission a few fundamental questions which my colleagues and I have already had occasion to table, unfortunately without receiving any answer !

We should like specific replies from the Commission on the following points : Are the questionnaires which we published still being used ? Nobody has forgotten the questions they contained : 'Do you know any Communists ? What are their names ?' Or in the German questionnaire : 'What have you been doing since 1945 ?' How is it that the same questionnaires were also sent to French research staff working for the Commissariat à l'énergie atomique and travelling on mission to the Federal Republic of Germany ? Who is responsible for sending out this questionnaire and who is responsible for running the Security Office ? And then the main question : How many officials are at present subject to these enquiries ? At various times we have been told 350, or 450, and once even 800. What is the true figure ?

We want no evasive answers to these questions. Our concern is all the more justified since such practices bear witness to the danger that the affront to personal liberty embodied in the West German refusal to admit certain individuals to the Civil Service could spread throughout Europe. Unfortunately, some Members of this Assembly are in favour of that : during the debate held on 16 December 1977, the Socialist Group spokesman remarked that membership of an extremist party could lead to activities of another nature, meaning spying. That illustrates a prejudice against all progressives, a justification for denunciation, for witch-hunts and all kinds of restrictions on democracy. That is why, while categorically and vigorously condemning terrorism, we are alarmed to note — as the debate

Lemoine

held during our last part-session demonstrated — where such practices can lead in the area which we called or which is called the 'European judicial area' and which the RPR spokesman illustrated by declaring that we must go further than simply establishing cooperation and solidarity between national police forces, that Europe 'is an entity which must not have any frontiers' and that it ought to be possible to combat terrorism everywhere beyond the frontiers, which would then be totally symbolic.

Statements like this clearly demonstrate what some people want to achieve when they put into practice the idea of the European judicial area mooted by President Giscard d'Estaing and brought up at the last European Council: they are insidiously tampering with democracy on the pretext of defending democracy. And the Commission justifies their tampering by doubting in advance the trustworthiness of its officials. Yet the report we are debating proposes quite simply to ratify the situation; the very principle of the questionnaires is accepted; if we harmonize them, then everything will be hunky-dory; that is why Mr Bordu tabled an amendment supporting the position adopted by the officials trade union and urged that the files be destroyed and these 'security' questionnaires no longer used. That is also why we cannot support the motion for a resolution unless this amendment is adopted. We feel that the governments of the Member States — who in fact draw up these security questionnaires — and the Commission bear a heavy responsibility in this grave affair. The Commission is indeed the guardian of the Treaties; in other words, it should ensure respect for the Staff Regulations, and it is essential that the provisions guaranteeing the officials' rights and freedoms be strictly applied. Each European civil servant, like each citizen of the Community, must be certain that he will never suffer harassment because of his political, religious or philosophical views. We believe that this is the best guarantee, indeed the only guarantee, of the trustworthiness of our officials. For our country, our European institutions, we want officials who are mature, responsible and free to express their views.

In the name of freedom and democracy in Europe we call for respect for the Staff Regulations, for an immediate end to the use of questionnaires and for the destruction of confidential files and these questionnaires; we French Communists believe in social and economic progress in Europe, in peace and freedom; we wish to defend, strengthen and extend democracy in Europe and even within the European institutions. We shall fight any moves towards a police-dominated and authoritarian Europe. No one and nothing will sway us from our course. We are opposed, and always shall be opposed, to any attack on personal freedom wherever it occurs. We passionately believe that our people should be free; and that

is why we want the same for all nationals and for every citizen, who should be free to follow his or her chosen profession. Security checks are inimical to freedom of opinion and expression; it would be regrettable, to say the least, if our Assembly did not condemn them vigorously.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I should like to begin by expressing my gratitude to Mr Luster, who deputized for Mr Hamilton in presenting the report of the Committee on the Rules of Procedure and Petitions. I should also like to take this opportunity to thank the Legal Affairs Committee for their opinion contained in the report. This seems to me to be a particularly clear and balanced point of view.

Just like the Parliament and Mr Dondelinger and Mr Lemoine, the Commission also thinks that freedom of expression for its officials in an inalienable right which may not be tampered with. The Commission will support this right at all times. This principle which I am expressing here on behalf of the Commission does not alter the fact that it is necessary for the Commission to guarantee — as it was asked — the trustworthiness of a small number of officials who have access to particularly confidential information by virtue of their job.

This principle is also applied in our Member States and in other countries. Officials in possession of confidential and vulnerable data must be supervised with especial care by the authority on whose behalf they are working. This is necessary if democracy is to be protected. Democracy and democratic values are very important values — so important that they need to be protected. I know from my own experience that we are dealing with a thorny problem here and that it is easy to overstep the limits; but if we have in our Community a system of legal protection with at its apex the Court of Justice and also a Parliament which can combat any abuse, then I feel that we have enough guarantees built into our democratic system that we can accept an enquiry as to whether our officials who have access to very confidential data are indeed trustworthy. There are sufficient guarantees built into our system to combat any possible abuse.

Moreover, we must not ignore the fact that the Community is constantly taking on wider responsibilities. Increasing use is being made of data which are of vital importance for certain Member States or for the Community as a whole and which are particularly confidential. Such data must be dealt with as such. I am thinking here of the increasing political cooperation, in which the Commission, thanks in particular to support from this Parliament, plays an especially important role. In international politics, all kinds of confidential data have to be dealt with by senior and

Vredeling

less senior officials, and this means that the area where trustworthiness is required — apart from the special sphere of Euratom — is constantly expanding.

I would also mention here the ever-increasing efforts of the Community in the sphere of monetary policy. And if I simply refer here to the possibility of devaluation, revaluation or the like, then you will realize what I am referring to: these are very confidential and vulnerable data and it is of especial importance that they be entrusted to officials who are particularly trustworthy. And enquiries must be carried out into whether these officials are worthy of the confidence placed in them.

I mentioned the existing sphere of Euratom. For the implementation of the Euratom Treaty we have introduced certain security screening systems, and by analogy we have done the same for the sectors I mentioned a moment ago. The Member States will only make secret information available to the Community — and let me draw your attention to this point — if they are sure that the secrecy of this data will be respected. Consequently, an official serving the Community and having access to such information must fulfil particularly stringent conditions; for him to do so, it is absolutely essential that his personal background is carefully checked. And what is more, such screening is not least in the official's own interests, since he is in possession of secrets. It is of course possible that efforts will be made to make him divulge this secret information: the official must be proof against this, and that is the point of the enquiries which are made.

This security screening has been carried out since 1958 on officials having access to secret information, and the checks were made by national governments according to national procedures. This is already laid down in the Euratom Regulation of 21 July 1958, which has frequently been mentioned in Parliament. This method has never got given cause for objections. Since the Euratom Regulation — in answer to Mr Lemoine's question — some 700 security screenings have been carried out, and at the moment about 530 officials have been subject to security screening in this Euratom sector.

In the motion for a resolution tabled by the appropriate committee, reference is quite rightly made to the fact that when the security screening is carried out, the interests of the person involved must be safeguarded and discriminatory practices avoided. The Commission is in complete agreement with that. I should therefore like to say on its behalf that the questionnaires we are talking about are in no way treated as special personal dossiers which could influence the future careers of officials. The Commission has already adopted the suggestion contained in the motion for a resolution; it has initiated negotiations with the Member States with a view to agreeing on

identical wording for the questionnaires, a request which Mr Luster, on behalf of his committee, also expressed. I can tell you now that the British Government has already stated its willingness to use the Commission's questionnaire in its present form. The German departments are likely to do the same; moreover, they would be prepared in the near future to delete the question to which objections have been raised.

Mr President, I think the Commission has shown convincingly that the whole business of this security screening is carried out in a satisfactory manner. Let me repeat: the sphere with which we are dealing must be supervised by Parliament and, if there is any abuse, by the Court of Justice. We are talking about a sphere in our democracies that we recognize in each of our Member States — and let me refer to it expressly. Each of our Member States exercises this check on security and the trustworthiness of certain officials. We must introduce this as a necessary evil into our Community, which is increasingly called upon to deal with affairs of this nature; as a necessary evil, Mr President, because human beings do not always match up to all the standards which we should like to see them fulfil. In the final analysis, the democratic values which we wish to defend depend on this — and once more let me say there are sufficient built-in guarantees. If any abuse is made of the security screening by the Commission or other bodies, then the Court of Justice can always give a ruling; moreover, we also have a Parliament which can always raise an objection to abusive practices. Mr President, I believe that this is the best guarantee: although we are dealing here with a sphere where we must always ensure that we are not misguided in our actions — and there in a certain sense I agree with Mr Lemoine — we have built in sufficient guarantees to prevent our security screening from being abused.

President. — I call Mr Luster.

Mr Luster, deputy rapporteur. — (D) Mr President, I should like to reply to Mr Lemoine. In the debate on this grave problem he said something which I should not like to have recorded without comment. He said that the Federal Republic of Germany barred certain people from entering the Civil Service. Mr Lemoine, at the beginning of your speech you referred to the terrible fate — and I am ashamed to say this — which Hitler unleashed on Europe. But Hitler was not alone in this. Stalin was equally guilty, and I would ask you to accept that it is not a question of barring people from the Civil Service if we in the Federal Republic — to put it in a nutshell — want to prevent little Hitlers and little Stalins from being employed in jobs which entitle them to a State pension.

President. — I note that no one else wishes to speak. The motion for a resolution, together with the amend-

ments which have been tabled, will be put to the vote tomorrow voting time.

The debate is closed.

16. *Agenda for the next sitting*

President. — The next sitting will take place tomorrow, Tuesday, 9 May 1978, with the following agenda :

10 a.m. and in the afternoon :

- decision on urgency of four motions for resolutions :
- Nyborg motion, on certain State-strading countries and cargo liner shipping ;
- Patijn motion, on human rights in Uruguay ;
- Ligios motion, on the market in wine ;
- Fellermaier and Prescott motion, on human rights in Argentina ;
- Lezzi report on aids to promote the employment of young people ;

- Noè report on air traffic control ;
- McDonald report on a code of conduct for liner conferences ;
- Guerlin report on home study courses ;
- Oral question, with debate, to the Commission on a code of conduct for multinational undertakings ;
- Oral question, with debate, to the Commission on the iron-and-steel industry in Europe ;
- Power report on social-security schemes ,

3 p.m. :

- Question time (questions to the Commission) ;

3.45 p.m. :

- Voting time (vote on motions for resolutions on which the debate has closed).

The sitting is closed.

(The sitting was closed at 8.30 p.m.)

SITTING OF TUESDAY, 9 MAY 1978

Contents

1. <i>Approval of the minutes</i>	33	<i>Question No 1, by Mr Hoffmann: Community loan of 1 000 million EUA:</i>	
2. <i>Decisions on urgent procedure:</i>		<i>Mr Vredeling, Vice-President of the Commission; Mr Hoffmann; Mr Vredeling; Lord Bruce of Donington; Mr Vredeling; Lord Bruce of Donington</i>	58
<i>Mr Nyborg; Mr Ligios; Mr Fellermaier; Mr Klepsch on behalf of the Christian-Democratic Group (EPP); Mr Brégère; Mr Yeats on behalf of the European Progressive Democrats; Mr Baas on behalf of the Liberal and Democratic Group; Mr Ligios; Mr Yeats; Mr Fellermaier; Mr Klepsch; Mr Spénale; Mr Klepsch; Mr Bersani; Mr Lückner; Mr Yeats; Mr Klepsch; Mr Patijn; Mr Klepsch</i>	33	<i>Question No 2, by Mr Dankert: Export of uranium from South Africa to the European Community:</i>	
		<i>Mr Burke, member of the Commission; Mr Dankert; Mr Burke; Mr Osborn; Mr Burke; Mr Scott-Hopkins; Mr Burke; Mr Patijn; Mr Burke</i>	59
3. <i>Employment difficulties — Report by Mr Lezzi on behalf of the committee on social affairs, employment and education (Doc. 88/78):</i>		<i>Question No 3 by Sir Geoffrey de Freitas: Canal transport: use of energy:</i>	
<i>Mr Lezzi, rapporteur</i>	37	<i>Mr Burke; Sir Geoffrey de Freitas; Mr Burke; Mr Osborn; Mr Burke; Lord Bruce of Donington; Mr Burke</i>	60
<i>Mr Dinesen on behalf of the Socialist Group; Mr Caro, draftsman of opinion and spokesman of the Christian-Democratic Group (EPP); Mr Meintz on behalf of the Liberal and Democratic Group; Mr Bouquerel on behalf of the European Progressive Democrats; Mr Spinelli on behalf of the Communists and Allies; Mr Albers; Mr Yeats; Mr Damseaux; Mr Lemoine; Mr Brugba; Lord Bethell on behalf of the European Conservative Group; Mr Vredeling, Vice-President of the Commission; Mr Albers; Mr Vredeling</i>	39	<i>Question No 4, by Lord Reay: Commission attendance at COREPER meetings:</i>	
		<i>Mr Burke; Lord Reay; Mr Burke</i>	61
		<i>Question No 5, by Mrs Ewing: Nuclear waste disposal:</i>	
		<i>Mr Vredeling; Mrs Ewing; Mr Vredeling; Mr Normanton; Mr Vredeling; Mrs Kellet-Bowman; Mr Vredeling; Mr Edwards; Mr Vredeling; Lord Bessborough; Mr Vredeling</i>	61
		<i>Question No 6, by Mr Cousté: Summer time in the Community:</i>	
		<i>Mr Burke; Mr Cousté; Mr Scott-Hopkins; Mr Burke; Lord Bessborough; Mr Burke; Mr Howell; Mr Burke</i>	62
4. <i>Efficient air traffic control — Report by Mr Noè on behalf of the committee on regional policy, regional planning and transport (Doc. 49/78):</i>		<i>Point of order: Mr Fellermaier</i>	64
<i>Mr Noè, rapporteur</i>	56	6. <i>Tribute</i>	64
5. <i>Question Time (Doc. 98/78)</i>		7. <i>Votes</i>	
<i>Questions to the Commission of the European Communities:</i>		<i>Normanton report (Doc. 577/77): Community oil supply and processing policy:</i>	

<i>Adoption of the motion for a resolution . . .</i>	64	12. <i>Shipping — Joint debate on a report by Mr McDonald on behalf of the committee on regional policy, regional planning and transport (Doc. 540/77) and a motion for a resolution by Mr Nyborg on behalf of the committee on regional policy, regional planning and transport (Doc. 81/78)</i>	
<i>Normanton report (Doc. 16/78): Community oil stocks and storage policy:</i>		<i>Mr McDonald, rapporteur (Doc. 540/77) . . .</i>	79
<i>Amendment to paragraph 8:</i>		<i>Mr Nyborg; Mr Stetter, draftsman of opinion; Lord Bruce of Donington on behalf of the Socialist Group; Mr Damseaux on behalf of the Liberal and Democratic Group; Mr Seefeld; Mr Osborn on behalf of the European Conservative Group; Mr Prescott; Mr Jung; Mr Burke, member of the Commission; Mr McDonald</i>	80
<i>Mr Normanton, rapporteur</i>	64	13. <i>Agenda:</i>	
<i>Adoption of the motion for a resolution . . .</i>	64	<i>Procedural motion: Mr Notenboom</i>	92
<i>Walz report (Doc. 90/78): Regulation on hydrocarbon exploration:</i>		14. <i>Directive on home study courses — report by Mr Guerlin on behalf of the committee on the environment, public health and consumer protection (Doc. (82/78):</i>	
<i>Amendment after paragraph 9:</i>		<i>Mr Guerlin, rapporteur</i>	93
<i>Mrs Walz, rapporteur</i>	65	<i>Mr Jabn on behalf of the Christian-Democratic Group (EPP); Mr Meintz, draftsman of opinion; Lord Bethell on behalf of the European Conservative Group; Mr Burke, member of the Commission; Mr Guerlin</i>	93
<i>Adoption of the motion for a resolution . . .</i>	65	15. <i>Oral Question with debate: Iron and steel industry in Europe (Doc. 75/78):</i>	
<i>Hamilton report (Doc. 336/77): Petition on enquiries into the political affiliations of Commission officials:</i>		<i>Mr Cousté, author of the question</i>	99
<i>Amendment after paragraph 1:</i>		<i>Mr Davignon, member of the Commission; Mr Hoffmann on behalf of the Socialist Group; Mr Schwörer on behalf of the Christian-Democratic Group (EPP); Mr Damseaux on behalf of the Liberal and Democratic Group; Mr Osborn on behalf of the European Conservative Group; Mr Ansart on behalf of the Communists and Allies; Mr Christensen; Mr Cousté; Mr Davignon; Mr Ansart; Mr Davignon . . .</i>	100
<i>Mr Luster</i>	65	16. <i>Regulations on social security schemes for self-employed persons — Report by Mr Power on behalf of the committee on social affairs, employment and education (Doc. 87/78)</i>	
<i>Amendments to paragraphs 2, 3, 4 and 5:</i>		<i>Mr Power, rapporteur</i>	111
<i>Explanation of vote: Mr Lemoine</i>	65	<i>Mr Albers on behalf of the Socialist Group; Mrs Kellett-Bowman on behalf of the European Conservative Group; Mr</i>	
<i>Adoption of the motion for a resolution . . .</i>	65		
<i>Lezzi report (Doc. 88/78): Employment difficulties</i>			
<i>Amendment to the proposal for a regulation:</i>			
<i>Mr Albers</i>	66		
<i>Amendment after paragraph 9:</i>			
<i>Mr Lezzi</i>	66		
<i>Adoption of the motion for a resolution . . .</i>	66		
8. <i>Debate following Question Time: export of uranium from South Africa to the European Community:</i>			
<i>Mr Dankert on behalf of the Socialist Group; Mr Normanton on behalf of the European Conservative Group; Mr Osborn; Mrs Walz; Mr Fellermaier; Mr Fuchs; Mr Burke, member of the Commission; Mr Fellermaier; Mr Dankert</i>	66		
9. <i>Efficient air traffic control (continuation of debate):</i>			
<i>Mr Seefeld on behalf of the Socialist Group; Mr Hans-Werner Müller on behalf of the Christian-Democratic Group (EPP); Mr Jung on behalf of the Liberal and Democratic Group; Mr Jung on behalf of the Liberal and Democratic Group; Mr Osborn on behalf of the European Conservative Group; Mr Burke, member of the Commission</i>	72		
10. <i>Documents received</i>	78		
11. <i>Agenda</i>	79		

<i>Vredeling, Vice-President of the Commission</i>	113	<i>Mr Martinelli, author of the motion for a resolution</i>	117
17. <i>Regulation on the market in wine — Motion for a resolution by the Christian-Democratic Group (EPP) (Doc. 105/78);</i>		<i>Mr Davignon, member of the Commission; Mr Martinelli</i>	118
		18. <i>Agenda for next sitting</i>	119

IN THE CHAIR: MR ADAMS

Vice-President

(The sitting was opened at 10 a.m.)

President. — The sitting is open.

1. *Approval of the Minutes*

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

Are there any objections?

The minutes of the proceedings are approved.

2. *Decisions on urgency*

President. — I shall now consult Parliament on the adoption of urgent procedure for the motion for a resolution (Doc. 81/78) tabled by Mr Nyborg on behalf of the Committee on Regional Policy, Regional Planning and Transport on the activities of certain State-trading countries in cargo liner shipping.

Lord Bruce proposed yesterday that Mr Nyborg's motion for a resolution be converted into a report.

Mr Nyborg will certainly have discussed this with Lord Bruce.

Are there now any amendments to your motion?

I call Mr Nyborg.

Mr Nyborg. — (DK) Mr President, Lord Bruce made this request yesterday because we had received a confidential message that the Council would, after all, want to hear Parliament on this matter. However, we have not received the telex we were waiting for and I therefore believe that we must withdraw Lord Bruce's request to turn the motion for a resolution into a report and request that it be debated under the emergency procedure as laid down in Rule 14 of the Rules of Procedure.

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

Urgent procedure is adopted.

I propose that this motion for a resolution be placed on the agenda for today, Tuesday, for joint debate with the McDonald report (Doc. 47/78).

Are there any objections?

That is agreed.

I now consult Parliament on the adoption of urgent procedure for the motion for a resolution (Doc. 105/78) tabled by Mr Ligios, Mr Martinelli, Mr Pisoni, Mr Pucci, Mr Brugger, Mr Granelli, Mr Vernaschi, Mr Bersani, Mr Ripamonti, Mr Fioret, Mrs Cassamagano Ceretti, Mr Tolman, Mr Noè and Mr McDonald on behalf of the Christian-Democratic Group (EPP) on the market in wine.

I call Mr Ligios.

Mr Ligios. — (I) Mr President, we have asked that this motion for a resolution be dealt with under urgent procedure because the Council of Ministers, at its last meeting and at the meeting at present under way in Brussels, has considered the delicate question of the wine market without having first heard the opinion of the European Parliament. This practice is becoming all too frequent.

This is not the time to consider whether the Council — at least on this occasion — or the Committee on Agriculture is responsible for this; the fact is that we believe that it is not right that the Council of Ministers should simply take decisions in this way when — as anyone will know who has gone into the matter in detail — these questions of principle are at stake. Here we have a proposal under which a guide price would be set for wine and whenever the price of wine falls below a certain level — which some people think should be 90 % and others 80 % — the market would have to be closed. This is a principle which has never been accepted in the Common Market and it could well give rise to similar proposals in other sectors. Until now, products have circulated freely within the Community; this machinery sets up a totally different, dirigistic procedure and I therefore maintain that Parliament must of necessity express its

Ligios

opinion before the Council of Ministers concludes its deliberations.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (*D*) Mr President, honourable Members, I address my remarks primarily to the chairman of the Christian-Democratic Group, because I feel that it is poor procedure for a political group to try to discuss a matter in the House under urgent procedure, at a time when the House itself has referred the two regulations on table wine and the market organization for wine to the Committee on Agriculture for its opinion, which it will need in order to assess the regulation. We would be undermining the work of the committees if the political groups were now to start introducing debates, under urgent procedure, before the committee concerned had reported. The Christian-Democratic Group may well have had good grounds to have the matter speeded up in the committee on agriculture so that its report could have been submitted sooner. It is not an acceptable alternative, however, for us to deliver what would amount to an opinion on two regulations in an emergency debate without having first seen the committee on agriculture's report. I therefore urge the House to reject the request for urgency.

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

Mr Klepsch. — (*D*) Mr President, I asked for the floor because Mr Fellermaier addressed me personally. May I begin by saying that my group has so much to do with the organization of the work of the committee on agriculture as his or any other political group of this parliament. I can make no comment as to the work of the committee, or the speed with which the committee deals with it.

As regards the matter in question, the request for urgency is justified because the Council of Ministers is discussing it this very afternoon and tomorrow. If Parliament therefore wants to make use of its right to give an opinion on this matter before the Council takes a decision, it can only do so today. If it delays, it will merely be delivering an opinion on a decision which has already been taken. My group believes, however, that it is the job of this House to influence the decision-making process as early as possible, and that is why it is essential that it should prepare and submit an opinion in time for the Council's discussions. But this is something it can only do in the way we have proposed.

If we agree to holding this emergency debate this evening, for example, my group has absolutely no objection to the committee on agriculture holding a further meeting during the course of the day. All we want to emphasize is that there will be no further chance of influencing the Council's discussions today

and tomorrow if urgency is not agreed. There is a further point I should like to make, Mr Fellermaier, and it is something that you should actually know: the opinion expressed in the motion is an opinion to which this House has already agreed. You might say that it is simply being brought back as a reminder for the Council's discussions. As far as the actual position expressed in the motion is concerned, the House took its decision some four weeks ago after a detailed debate, and that is another reason why my group feels entitled to say that the call for urgency is based exclusively on the fact that the Council is meeting, and not on the matter itself, on which the House has already adopted a position. I therefore move that this request for debate by urgent procedure be put to the vote.

President. — I call Mr Brégégère.

Mr Brégégère. — (*F*) Mr President, I rise on behalf of the Committee on Agriculture and of its chairman, who is unable to be present, to speak on the slight incident which took place yesterday. Let me say at once that I am rather surprised that Mr Ligios, as a vice-chairman of the committee, did not, at least when speaking just now on his request for urgent procedure, say anything about the outcome of the meeting of the Committee on Agriculture, as I shall now do as its oldest member.

We were surprised yesterday evening in the Committee on Agriculture at being asked to consider this extremely important and serious motion for a resolution. We asked Mr Ligios to withdraw it, together with his request for urgent procedure, and proposed that it should be referred to the committee in the ordinary way. We have a rapporteur to deal with matters of this kind; he does not even know about this motion for a resolution.

You will agree that it is quite improper — and I use the word advisedly — for such proposals to be put to us when, as everybody knew perfectly well, questions could have been raised about the proposal that was made last night.

The Committee on Agriculture cannot therefore take a position on the content of a proposal with which it is not acquainted; it asks for reference to committee through the usual channels and rejects the request for urgent procedure.

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

Mr Yeats. — Mr President, I think this proposal raises matters of a seriousness going far beyond the actual terms of the resolution, and I do not propose to discuss the actual merits of the resolution one way or the other. It would have far-reaching consequences. It has always been the practice, indeed the rule of this Parliament, that when an opinion is given to the Council, this is done by means of a report from a

Yeats

Committee. Were we to approve the urgent procedure and later on adopt the resolution, we would have completed the consultation procedure; we would have taken a decision on this proposal from the Council; we would have prevented the Committee on Agriculture from dealing with this matter in any way, and we would be totally changing the procedures of this Parliament that have existed for the past twenty years. I would suggest with all respect, Mr President, that the Presidency ought not to have allowed this measure to be put in this way, because it is totally contrary to all the rules and practice of this Parliament. I would suggest, therefore, that to adopt this proposal would be disastrous and totally stultifying.

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

Mr Baas. — *(NL)* Mr President, I believe that Mr Yeats, who spoke before me, has said what needed to be said. If in fact Parliament has already taken up a position, this proposal is unnecessary and it has often happened that in the consultation procedure the Council has discussed particular subjects and not immediately come to a decision.

I must therefore ask Mr Ligios and the others to withdraw their motion for a resolution because otherwise we shall be introducing something into Parliament's internal procedure which will interfere with the proper system of cooperation in Parliament and our committees. I think that we do not need to take a vote but that we should ask the Committee on Agriculture, as soon as is practicable, to deliver its opinion at the next part-session. We would then have a document before us, since I find Mr Klepsch's proposal that the Committee on Agriculture could indeed meet this evening is not in tune with the seriousness of the problem we are discussing here. It is an extremely difficult question and I think that we ought to discuss it on the basis of a report and there must be an opportunity for weighing up the arguments for and against which does not exist when one has a motion for a resolution being dealt with under urgent procedure as is being suggested to us now. I would thus ask Mr Ligios and the others to withdraw this motion so that the normal course of Parliament's work can proceed.

President. — I call Mr Ligios.

Mr Ligios. — *(I)* Mr President, I should like to clarify a point Mr Brégègère has already made. It is true that I am a vice-chairman of the Committee on Agriculture but the task of spokesman of the Committee on Agriculture was entrusted by the chairman not to myself but to Mr Brégègère. The Committee on Agriculture — which met yesterday evening — did in fact decide that this resolution should not be tabled. I should like however to explain that Parliament — and Mr Baas is right — has already

taken a position on the question of agricultural prices (and paragraph 1 of the resolution repeats word for word what Parliament said), thus we are to all intents and purposes repeating what has already been said. All the other arguments for referring this subject back to the Committee on Agriculture have a great defect in that they will not allow Parliament to express its opinion before the Council of Ministers takes a decision. This is the reason I do not intend to withdraw the resolution.

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

Urgent procedure is adopted.

I propose that the motion for a resolution be placed on the agenda for today.

I call Mr Yeats on a point of order.

Mr Yeats. — I think in view of the extreme seriousness of the step we have taken, we ought not to put this on the agenda until it has been discussed by the Bureau. We should leave it to the Bureau to discuss this matter.

Mr Fellermaier. — *(D)* I expressly support what Mr Yeats has just said and move that the Bureau hold a special meeting today. I consider this to be a serious violation of parliamentary procedure in this House. I request formally that a meeting of the Bureau be called. We can discuss the matter then.

President. — *(D)* I call Mr Klepsch.

Mr Klepsch. — *(D)* Mr Fellermaier, one must be able to accept defeat. There is no Member of this House who claims more frequently than you do that Parliament is sovereign in taking its own decisions. I see no way that anyone can change Parliament's decision except Parliament itself.

(Applause from certain quarters)

This House has taken a decision and that decision must now be implemented. It may be unfortunate if you do not agree with that decision, but ...

(Commotion)

... Mr Fellermaier, I can scarcely remember how many debates we have had here on reports which finished and had been submitted, only to have your political group force a vote by urgent procedure. I do not want to go into the details here. Now is not the time to argue about the rules of procedure, I would simply remind you that the House has just taken a decision, and it is a decision taken by a majority.

(Applause from various quarters)

President. — I call Mr Spénale.

Mr Spénale. — *(F)* Mr President, we are obliged to go on discussing this whether we like it or not, since we still have to decide whether to wait for the deci-

Spénale

sion of the Bureau. I would say to Mr Klepsch that Parliament is indeed sovereign, but it must nevertheless abide by its own rules. Now, here we have got into a totally paradoxical situation. The Rules of Procedure say that debates shall be based on a report from a committee; but there is no report. Moreover, even if there was one, the Rules also say that a request for reference to committee must be granted if it is made by the chairman of a committee or the rapporteur. But what have we? There is no rapporteur, because there is no report, and the chairman of the committee is not here. And his deputy is none other than Mr Ligios, who also happens to be at the centre of the whole affair. So we are going to end up with a situation in which the Rules of Procedure cannot be applied in the ordinary way. I think this calls for a minimum of consideration by the Bureau, and I would therefore ask for this item not to be placed on the agenda until the Bureau has had time to give some thought to this problem, otherwise we run the risk of a complete breakdown in our procedure.

President. — I call Mr Klepsch.

Mr Klepsch. — (*D*) Mr Spénale, I always pay very close attention to your ideas and your advice, but in this case I must point out that the possibility of referring a committee report back to committee because of amendments by the committee chairman does not apply here; because, as you say yourself, there is no committee report. What we are dealing with is an *ad hoc* motion which we want to discuss in relation to a particular event taking place today and tomorrow. There can therefore be no question of a referral, which is the normal procedure provided for.

I do not even want to object to a Bureau meeting, but in the past it has always been the practice for the House to decide immediately — indeed, I think it is laid down in the Rules — as to when a matter, the urgency of which has been agreed, should be discussed. In this particular case — and here I must agree with Vice-President Adams — urgency only makes sense if the matter is actually discussed today. This point was made perfectly clear when the motion was introduced and during the debate.

President. — I call Mr Bersani.

Mr Bersani. — (*I*) Mr President, this question undoubtedly has some delicate implications. I should like to say two things. The first is that we need to determine our position within the next few hours because otherwise it will be too late. The second is that this is much more than a simple agricultural matter. It is a question of principle which affects the political construction of the Community.

I ought, if one had to look at things merely from one's own personal point of view, to be pleased with a

principle making it possible, by resorting to minimum prices or similar measures, to stem an invasion of products in certain countries as is at present happening in mine. If I look at it from a European point of view however, I must say that if this principle is accepted, it will demolish the pillar which is supporting the political construction of Community.

Having said this, I feel that in order not to prejudge the opinion of the Committee on Agriculture and at the same time to respect the rules of procedure — I say this for Mr Spénale's benefit — we ought to adopt the proposal made by Mr Klepsch.

President. — Ladies and Gentlemen, I would ask you to accept the decision that Parliament has just taken and now to vote whether this urgent matter is to be taken today or on Thursday, after the regular meeting of the Bureau.

I call Mr Lücker.

Mr Lücker. — (*D*) We should apply the Rules of Procedure as they read. There can certainly be differences of opinion as to the expediency of doing that, or indeed as to whether this urgent motion should have been submitted at all. That, however, is no longer the problem. We have agreed to urgency. Once urgency has been agreed to, Mr President, then all that counts is the text of the Rules of Procedure, and we should stick to that.

President. — That is what we are doing!

I call Mr Yeats.

Mr Yeats. — Mr President, I would say to Mr Klepsch that it is not a matter of infringing the sovereignty of Parliament — of course Parliament is sovereign. But it cannot infringe the Rules of Procedure unless it seeks to amend them in the manner laid down. Now, I feel that there is a very serious question of procedure in this case. I would refer to Rule 22, paragraph 1, which reads:

'Requests from the Commission or Council for an opinion or for advice shall be printed, distributed and referred to the appropriate committees, and a list thereof shall be published in the Bulletin of Parliament.'

It is therefore specifically stated in Rule 22 that when the Council or Commission ask for an opinion it is referred to the committee. I am extremely doubtful whether it is open to this Parliament to express its opinion in any way other than through a report from the committee, and for this reason I think the Bureau must discuss this matter before going any further. I feel that we have infringed the Rules of Procedure, and I am gravely doubtful as to whether an opinion expressed by this Parliament in the manner suggested in this resolution would in fact be a legal opinion.

President. — I call Mr Klepsch.

Mr Klepsch. — (*D*) Mr President, we have voted on a motion whose urgency has been justified by the fact that the Council will be taking a decision on the matter at hand today and tomorrow, and that Parliament should give its advice before that happens. Parliament has now taken a clear decision to give an opinion before the Council reaches a decision.

If we now hold a second vote, which may possibly amend the result of the first one, to the effect that the matter could only be replaced on the agenda after the Council meeting has ended, I no longer understand the point of the motion for urgency which we have already adopted. The only solution, as I see it, is to stick to your proposal that the item be placed on today's agenda, and in saying this, I would add that my group would be agreeable, if there is no alternative, for it to be taken as the last item. Another reason for our agreement to this is to enable the extraordinary meeting of the Bureau, which Mr Fellermaier has called for, to take place without delay; and, indeed, if the Committee on Agriculture also wants to call a meeting, it can do so. While I completely understand your position, Mr President, may I ask you to stick to your original proposal that we take this item today.

President. — Ladies and gentlemen, I again repeat what I said before. The majority having voted in favour of the urgent procedure, I propose that this motion for a resolution be made the last item on today's agenda. I believe we should stick to that and give fresh consideration to the clarification of this procedural question in the Bureau on Thursday.

Are there any objections?

That is agreed.

I consult Parliament on the adoption of urgent procedure for the motion for a resolution (Doc. 84/78) tabled by Mr Patijn and others on the respect of human rights in Uruguay.

Does the tabler of the motion wish to speak?

That is not the case.

I put the request for urgent procedure to the vote.

Urgent procedure is adopted.

I propose that this motion for a resolution be placed on the agenda for Wednesday, 10 May, also as the last item.

Are there any objections?

That is agreed.

I call Mr Patijn.

Mr Patijn. — (*NL*) Mr President, is there any chance of discussing this resolution today? I have made some enquiries and I shall probably be the only or practically the only speaker. My only question is whether the Council intends to make a statement on this matter. If so, then the discussion must take place tomorrow. But as long as we do not know, I should prefer it to take place today.

President. — Mr Patijn, I see no way to place this item on the agenda for today. We have just placed what is certain to be this difficult item on the wine market at the end of today's agenda. I must stick to my recommendations that this item be taken on Wednesday.

I consult Parliament on the adoption urgent procedure for the motion for a resolution (Doc. 109/78) tabled by Mr Fellermaier and Mr Prescott on behalf of the Socialist Group on certain violations of human rights in Argentina.

Are there any objections?

Urgent procedure is adopted.

I propose that this motion for a resolution be placed on the agenda for Wednesday, as the last item.

Are there any objections?

That is agreed.

I call Mr Klepsch.

Mr Klepsch. — (*D*) Mr President, may I make one point with regard to the vote. I had my hand up, but you did not see me, and had already started the vote. My group voted against urgency because, following a decision of the Bureau the latter will consider this matter on Thursday and, following its discussion, the item would have been placed on the agenda for Thursday or Friday. I would therefore have spoken against urgency had I been given the chance. I make this point simply to explain why my group voted against the proposal.

3. *Employment difficulties*

President. — The next item is the report (Doc. 88/78) by Mr Lezzi on behalf of the Committee on Social Affairs, Employment and Education on:

the proposals from the Commission of the European Communities to the Council (Doc. 69/78) for

- a regulation concerning the creation of a new European social fund aid in favour of young persons
- a decision amending Decision 75/459/EEC of 22 July 1975 on action by the European Social Fund for persons affected by employment difficulties, as amended by Decision 77/802/EEC of 20 December 1977

I call Mr Lezzi.

Mr Lezzi, rapporteur. — Mr President, for the past two years world 'summits' and European 'summits' have been called upon from time to time to deal with the problem of inflation and employment and it is no accident that, in all countries of the Community and the industrialized West, special attention has been given in recent months to the problem of unemployment especially among young people (at the Rome

Lezzi

Summit, the London Conference, the Tripartite Conference, and the Copenhagen Meeting).

In December last year more than 6 million people were registered as seeking employment in the European Community, that is, 5 % of the working population, which is the highest level of unemployment ever recorded in the history of the Community. There are about 16 million unemployed in the countries of the OECD and of this number 40 % are young people under 25 years of age, most of them women.

According to Community statistics, unemployment among the young is, compared with ten years ago, nine times greater in France, six times greater in Great Britain, Belgium and Holland, and twice as great in Italy, where the figure was already one of the highest in 1967. This growth has now assumed massive proportions and quickened its pace in all the capitalist countries.

Again, according to international forecasts, the probability is that this situation will get worse in the next few years, at least until 1985, both because a feature of the present situation is the massive increase in the number of newcomers to the labour market as the result of the sudden rise in the birth-rate after the Second World War and because of the claims of women, who no longer accept the subordinate role imposed on them by tradition in the home and in society.

The situation is particularly disquieting because, as things stand at present, the economic situation seems to be quite incapable of improving at such a pace and in such a manner as to absorb a proportionate amount of the labour-force.

The picture is even gloomier when sociological factors are taken into account, in addition to the demographic and economic ones. Among the most important of these are the consequences of the expansion of education in our countries. In higher education, for example, between now and 1985 there will be 2 or 3 million young university graduates on the labour market looking for jobs. The situation is further complicated by organizational, technological and social changes, methods of working and, finally, immigration from the so-called 'third countries'.

For the first time since the last war the problem of mass unemployment is hitting the weak-economy countries as well as the strong ones: there is a state of crisis in some industries, as in the case of textiles and clothing, shipbuilding, and iron and steel. The outlook for employment in industry during the next few years is scarcely encouraging; prospects are better in the services industries but not good enough to take up the increased supply of labour.

Opinions differ regarding the underlying reasons for the international economic crisis but these differences of opinion must be quickly resolved if we are to

embark on action capable of producing full employment, an objective which is attainable only if there is prior agreement on the causes of the economic crisis which, in my view, are to be found not only in the increase in the price of raw materials and oil but also in the crisis which over the years has affected the pattern of development and methods of production and consumption. The real issue to be tackled is not that of getting back to a quicker pace of development, but that of the quality of the development, what to produce and what to consume.

The working committee of the European Socialist Group, with Rudy Adams as its chairman, has given these questions the careful consideration which they deserve and I should like to refer to the conclusions which it reached, though I have no time to go into some of the points which are of special importance and of particular relevance to the problem with which we are concerned. We believe that opportunities for employment and increased prosperity can be directly related to improvement in the quality and reliability of goods and to the extension of those services which contribute to the enhancement and enrichment of human relationships.

Although the deflationary measures which have so far been adopted in all countries by the international monetary and financial institutions have had some success in the fight against inflation and balance of payment difficulties, they have not succeeded, nor could they, in restoring order to the international monetary system or in creating the conditions for a spontaneous return to investment and increased output and employment.

The Socialist Group's paper emphasizes the need for the Community institutions to bring back a high level of employment by pressing for co-ordination of national policies; co-ordination already exists but it must be given some muscle. On the other hand any purely national attempts to conquer unemployment are likely to be self-defeating. There must also be much closer co-operation in the application of effective common policies in the industrial, social and regional fields.

In the proposal before Parliament, the Commission is endeavouring to encourage the Member States to develop measures for the employment of young people on the basis of a new form of Community aid provided under the aegis of the European Social Fund over and above the provision already made for vocational training and mobility.

The new aid which is being proposed consists of two kinds of measure: 1. premiums for undertakings which take on young workers and 2. subsidies for programmes designed to place young people in jobs of public interest.

According to the Commission's estimates, about 150 000 young people will benefit from the new aid.

Lezzi

This means that its budget cost will amount to about 110 million European units of account which, after 1979, will be found by increasing the resources of the Social Fund.

In our view which, we believe, is shared by Commissioner Vredeling, the Commission could and should have done more in 'quantitative' and qualitative terms — to adopt the Commission's own words — to cope with this enormous problem by taking advantage of the invitation extended by the Council in its decision of 28 December last year to draw up detailed proposals on a selective basis.

All this legislation does is to follow the pattern of providing for allowances to be granted to encourage further recruitment of workers, particularly in under-developed areas. These measures have already been put into effect by the individual Member States and by various other countries of the OECD, with marked lack of success. No one can deny that youth employment has never been the subject of much attention from economists, apart from aids in the field of employment-oriented training. We agreed in committee, though we are not going to repeat our firmly held criticisms today, that a fresh and comprehensive approach could at least be attempted on the basis of concrete suggestions involving close coordination of the various policies on education, career guidance, vocational training, placement and employment, and that a similar attempt could be made to coordinate action by the Community's other financial instruments. The Commission may argue that certain shortcomings can be made good by laying down suitable management guidelines and criteria for the allocation of aid. As far as the committee is concerned, we have, in the motion for a resolution, tried to remind the Commission of the need for aid to be given as a priority to regions with the highest rate of youth unemployment, and that it should be provided for recruitment programmes which guarantee a longer period of employment and for the creation of jobs in small and medium-sized undertakings, in the craft industries and expanding industrial sectors as well as in social areas and enterprises, so as to encourage cooperation in providing openings and self-reliant forms of productive activity and employment and increasing young people's chances of making a career.

We have drawn attention to the need to apply an ongoing programme, and to coordinate the various policies and we have made the request, which has the full support of the Commission, that the concept of recruitment should include paid practical training for those entering the labour market and, finally, that the eligibility of fixed-term employment schemes should, in the case of a private concern or of a Member State, be subject to an obligation to provide practical on-the-job training, at least for young people, so as to ensure that job training and experiences are concen-

trated on specialization in fields of activity which are of immediate value and are not, in other words, determined by the particular production requirements of the employer.

For the same reason we asked, without success, for the period involved to be changed from six to nine months and, in conclusion, we suggested (and continue to suggest) that the subsidies should not be granted in cases where the job-content is minimal or non-existent. As we all know, that type of employment leads nowhere and is generally insecure. Action must therefore be taken on the basis that the first offer of employment can also provide the opportunity of experience in a chosen career. The problem of youth unemployment cannot be solved by offering young people the first job to hand, because employment represents for young people not only a way of earning a living but also and above all the means of entry to a career. The Commission has at various times tried to tackle the formidable problem of youth employment. I believe that there is a gradual but increasing awareness in the Community and in the individual Member States of the need for a complete overhaul of the economy. In this connection, I trust that the forthcoming meeting at Bonn will provide an opportunity to go into the complexities of the problem in greater depth. I also hope that there will be closer and more fruitful cooperation between the Commission and Parliament. If I may say so, I have every confidence that the President of this Parliament will ensure that the Commission is aware of the need and the desirability of helping Parliament to make its proper contribution by providing for the issue in good time of the documents submitted for its consideration and thus enable it to take its decisions on the basis of a closer and more thorough study of the subject.

(Applause)

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

Mr Dinesen. — *(DK)* Mr President, this is a very important subject which we are discussing here and it is a subject which has been discussed many times in the past. We have discussed it in great detail in the Social Affairs Committee and it ought not really be necessary for me to add very many comments to what Mr Lezzi has already said. We take a positive view of the present report and the measures which the Commission is intending to take — as far as I understand it — following a request by the Council.

No one believes that the initiatives taken here have solved the problem of unemployment amongst young people. We have not done this and presumably it can only be settled by a general economic upswing and closer cooperation between the countries in Europe and certain countries outside Europe.

Dineson

But even if it is true that we cannot solve the problem of unemployment amongst young people with these plans here, it is clear that we are obliged to make efforts in all areas to improve the situation for the not merely thousands and tens of thousands but hundreds of thousands of young people who are in a very difficult situation. This experience will mark many of them for the rest of their lives and for this reason it is important that action be taken.

I should like to say that I do in fact have misgivings about the methods which are being used in this context. I do not mean that we must not use them after all. We have used them in my own country and even if they are liable to misuse, I feel that it is right, in the situation we are facing, that we should take action in this field.

I should also like to draw attention to a couple of things which the Commission has pointed out. It is very important that a scheme of priorities should be drawn up and I would like to say that there is no intention of money being saved available the Social Fund. It must be in addition to the measures which are being carried out in individual countries. I think this is a vital point and I also think it is vital that particular action should be taken in those areas where there is particular need and where circumstances are different; they can differ from country to country, from region to region and they can differ within the various sectors of industry and within the public sector. Let me make a few comments on the public sector. I believe that in the majority of countries there is a strong desire by the public for a better service apparatus than we have and I believe that it is very important that one should not merely concentrate on emergency measures of the type we had in the thirties. Truly constructive measures need to be taken and this implies both better opportunities and better education for young people and also much better services to the public in individual countries. I therefore think that to a large extent action needs to be taken within the public sector.

There is a second thing I should like to say and that is that all the measures which have attempted to limit unemployment have to a large extent been drawn up mainly for unemployed men and only to a limited extent for unemployed women. I think that the individual countries and the Commission ought to recognize, when approving projects concerned with these plans, that more attention should be given to women as measures encouraging employment are set in motion. I believe that it is very useful and very necessary to do this.

It says in the report which Mr Lezzi has drawn up that attention will be given to the regions with the highest unemployment figures for young people and to employment programmes which ensure — perhaps

not in all cases, but in as many as possible — permanent employment, by creating jobs in small and medium-sized enterprises, in craft industries and within industry and I am pleased that there is also the statement that young women have to face particular problems. It ought to be possible with these proposals, even if the funds available are limited, to take more action today than in the past.

I must now just add these remarks. The Socialist Group is able to recommend this motion for a resolution and, as I say if I limit myself to these remarks, this is quite natural since my party colleague Mr Lezzi has already presented the report as a whole and I hope that it will receive wide support and be adopted by Parliament.

(Applause)

President. — I call Mr Caro to present the opinion of the Committee on Budgets and to speak on behalf of the Christian-Democratic Group (EPP).

Mr Caro. — *(I)* Mr President, I have been asked to give the opinion of the Christian-Democratic group but, as you will be aware, I should like at the same time to communicate the opinion of the Committee on Budgets, which has also asked to comment on the proposal sent from the Commission.

As far as the Christian-Democratic Group is concerned, we are almost all in agreement that we should make it perfectly clear that, in view of the magnitude of the economic, political and social problems involved, the programme submitted to us is lacking in imagination. In this respect we are in full agreement with the comments made by Mr Lezzi and we are indebted to him for an excellent report. The programme is lacking in imagination because it merely involves a transfer to the Social Fund, which is endowed with fresh credits applicable on the basis of programmes which had already been laid down for the young. We would have preferred a more energetic policy for young people, especially to deal with the crucial problem of youth unemployment, together with a genuine plan of action, time-scaled with the detail which the subject demands.

This is what, ideally, we should have liked to have had but we recognize that the document submitted by the Commission has considerable merit because it reveals that lengthy consideration was given to the means at the Commission's disposal compared with the opportunities afforded it for direct action on so intractable a subject. In most of the Member States we have already seen efforts being made to limit unemployment but we realize full well that the criteria which the Commission, and especially Mr Vredeling in the additional note which he gave us, have tried to outline, follow the guidelines adopted by the majority for the Member States. We are entitled to ask, therefore, what

Caro

there is new in the Community's thinking on this subject and whether it has contributed anything new at all. In the absence of proof to the contrary, the question remains and the answer is unsatisfactory. It is unsatisfactory because, as I shall shortly explain on behalf of the Committee on Budgets, it is difficult for us to tell from the statement of the measures proposed what impact they will have in the case of young people who are unemployed or in danger of losing their jobs. To give some concrete examples, we are, as previous speakers have made clear, in full agreement with the Commission in concentrating on the regions where the level of youth unemployment is highest. But even if only on account of this criterion of action and strategy, doesn't this involve the question, which we raise each time, of coordinating action, whether it is taken under the aegis of the Social Fund or the Regional Fund?

We are conscious of pressing and burning issues such as the problem of young people who are compelled to perform their military service and cannot therefore secure exemption from it but who very often find on their return that they have lost their previous jobs. As this is a national obligation, is there not a corresponding economic obligation to ensure that young people who temporarily leave their employment to carry out their military service have security of employment and get their jobs back on return? Another vital problem that the Member States have not yet managed to resolve is the formidable number of reserved occupation, which bears comparison with the social policy followed by Member States in order to keep in employment a certain category of persons, many of them employed in the civil service who, after completing part of their careers there, with supplementary pensions, are both in receipt of a pension and in paid employment. Isn't that a very good example in point, arising as much as the result of economic and social administration as from deliberate policy?

There is also, of course, the need for national measures on the lines of specific action taken particularly as regards training schemes for young people between 18 and 25. Since we are talking about new aid from the the Social Fund, what fresh, effective action is the Community going to take in order to enable employers, in particular, those in small-sized and medium-sized undertakings, to guarantee continuity of employment in the case of young people taken on as a result of these schemes and who, after eight or ten months, are shown the door because there is no corresponding slot for them in the organization? As Mr Vredeling explains in his additional note, it is clear that if a close connection is established between the action taken by employers to train young people taken on as a result of these short-term measures and maintenance in employment, there will probably be a much greater likelihood of holding on

to the young men and women who take advantage of the training scheme operated in any particular country.

Another point I should like to emphasize has been the subject of almost universal agreement: that is, cooperation to the fullest extent with the social partners, and by this I mean not only the employers and the worker's organizations but also those young people's organizations which, more than any others, should at this juncture be recognized as representative spokesmen, and the specific measures to be adopted.

As I explained at the beginning, I hope the critical tone of my remarks will merely provide the Executive Commission with food for further thought about the methods for which, in the near future, it will have to seek our approval, and it was on this basis that the Christian-Democratic group decided to support the Commission's proposals.

With your permission, Mr President, I shall now deal with the opinion of the Committee on Budgets. As it was not asked to comment on the substance, the Committee concentrated on the financial aspects and on expenditure.

On the financial aspects, what is the expenditure committed to? The Committee on Budgets went into a question which, without offence, I note with regret was also considered by the Commission, which is that the cross-section of young people out of work who are likely to benefit from the proposed new aid amounts, generally speaking, to 100 000 in round figures, representing one-tenth of a half of the young people unemployed, since we have 2 million of them altogether. The Commission tells us that we must, generally speaking, regard a half of these two million, that is to say, a million, as being eligible to benefit from the new aid but that, in reality, the action proposed by the Commission will in all probability directly concern only a hundred thousand. That is certainly a substantial number, but it is not enough at a time when we are pressing for an energetic policy, a new policy, and we are entitled to ask some questions, which, although based on statistics, are eloquent enough. To quote an example: in my country, we expect to have 600 000 young people entering the labour market at the end of the summer of 1978, so the practical measures adopted by the Community will, so to speak, be commensurate with to more than a sixth of the problem which my country may have to face.

To look at the problem from another point of view, we know that in 1985 the working population of the Member States will, again broadly speaking, increase by approximately one and a half to two million people aged between 15 and 65. To take the higher figure, say 2 million, this, by pure coincidence, is the same as the total number of young people out of work at the present time. When we compare these figures, shouldn't we be asking questions about how we use

Caro

our funds? Are we going far enough? Far be it from me and from the Committee on Budgets to be in any way critical of the Social Fund's needs in terms of increased staff. I myself on one occasion was responsible for drawing attention to this need, of which Parliament is well aware, and I must pay tribute to the staff working at the Social Fund; we have been saying for a long time that its size, not of course its quality, falls far short of what is required. So the effect of entering the credits asked for as an item of the Social Fund will be of the greatest assistance to the administration concerned. At the same time the figure suggested for the creation of the new posts, if it is accurate, has not, from a budgetary standpoint, been calculated in accordance with the criteria for the evaluation of new posts but in view of what I have just said about the requirements of the Social Fund and bearing in mind Mr Vredeling's additional note, the Committee on Budgets believes this increase in the Fund's staff complement to be justified.

To conclude the opinion of the Committee on Budgets, I must express our indebtedness to Mr Vredeling and his colleagues who, at the meetings we have had on this subject, assured us that they would, as soon as possible, provide Parliament and the committees concerned with details of the procedure they propose to follow and all directives they would expect Parliament to want information about without delay. We believe it is absolutely vital for Parliament to keep the Commission's decisions under review, because otherwise we should have to accept the entire programme as it reaches us, and while we are still trying to discover how it can best be carried out.

Finally, the criteria, as described to us just now by Mr Lezzi and others, for the assessment of eligibility for the new aid seem to us to be fully deserving of support and it is on this basis that the Committee on Budgets joins the Committee on Social Affairs in welcoming the Commission's proposals.

(Applause)

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

Mr Meintz. — (D) Mr President, during the last part-session in Luxembourg, Mr Vredeling was good enough to come and explain to us the proposals which the Commission sent to the Council on 5 April and whose purpose was to promote the unemployment of people under 25 years of age. This gave us an opportunity to discuss the problem of youth employment and one must avoid repetition, but in the debate which followed Mr Vredeling's address, we were all at one in stressing the seriousness of the unemployment problem, which poses a threat to our society, and in calling for the immediate adoption of economic and political measures to deal with it.

It has been stated more than once that at this moment there are more than 2 million young persons

unemployed, which is a substantial percentage. In the case of my own country, the proportion of the total unemployed formed by those under 25 years of age is 59 %, which is enormous, and means that 6 in every 10 people out of work are under 25. One wonders, therefore, whether Luxembourg has the highest percentage of young people unemployed, but this is the proportion of the unemployed and is not a gross percentage. There are many areas where the problem is more serious. So if we are to find an answer to it we must emphasize the seriousness of the situation and the fact that it will become even more serious because the population forecasts for the next ten years indicate that the labour market will become more overcrowded than ever.

This is why, as we said in April, my group welcomes any Community action which does anything at all to reduce the number of young people who are unemployed. We recognize that this is what the Commission's proposals are trying to do. The new aid which is being proposed represents two types of expenditure: premiums for private or public concerns which take on young workers, and financial aid for programmes under which young people are placed in jobs of public interest. Mr Vredeling estimates that some 150 000 young people will be able to benefit from this aid, which means that 7.5 % of all the young unemployed will get a job for the first time. This is something to have achieved, and should be recognized as such.

On the other hand, I must agree with some of those who spoke earlier that we must not pitch our expectations too high; these proposals are not a *deus ex machina* which will solve once and for all the problems of youth unemployment, because the employment of the young is not a local one which can be solved by a series of specific remedies, but a subject which cannot be separated from the general question of economic recovery and from the context of education and training.

If we have any criticism or reservation, it is in connection with the latter aspect, because we are sorry that the Commission has suggested measures which attack youth unemployment only in the short term without laying down a comprehensive structural policy which would alone have been capable of dealing with the chronic state of affairs facing us today. Our group is also in agreement with Mr Lezzi, who is to be congratulated on his report, in pressing the Commission to draw up a structural programme which includes the coordination of policies relating to trans-frontier career training and guidance, which is a subject of great relevance to placement and employment.

A further comment which could be addressed to the Commission relates to its lack of originality, already mentioned by Mr Caro, in the choice of instrument

Meintz

for encouraging the employment of the young. As has been said already, the measures proposed by the Commission contain nothing new but are supplementary or additional to what is already done at national level to reduce unemployment among the young. Regrettably, moreover, recruitment premiums have, at national level, not proved particularly effective. Nevertheless, I am convinced that Community action is capable of having a favourable effect on the present state of affairs provided that it is applied with discrimination. The Social Fund must not be allowed to be a mere adjunct to national measures already in being but, on the contrary, it must, be selective application, influence and determine the standard of national schemes to be financed.

In this way, for example, priority must be given to job-creation schemes based on vocational training programmes, because it is an undoubted fact that one of the causes of unemployment among the young is the gap between their qualifications and the kind of work they are offered. In this connection, we regard the changes suggested by Mr Lezzi in relation to the criteria for qualification for the new aid as constituting improvements and we give them our full support.

It remains only for me to add for Mr Vredeling's benefit that, in our view, the effectiveness of the measures proposed will ultimately depend on the way in which he and his colleagues, the Commission in fact, apply them.

Finally, while conscious of the fact that the present proposals can only go part of the way to solve the problem of youth unemployment, I want to leave no doubt about my group's support for them and to express the earnest hope that the Council will adopt them at its meeting on 20 June and enable them to be put into effect.

(Applause)

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

Mr Bouquerel. — *(F)* Mr President, the European Progressive Democrats fully support Mr Lezzi's report.

The problem of youth unemployment is disturbing in the extreme. Two figures emphasize its seriousness: in 1969, there were 400 000 young persons unemployed in the Community; in 1977, there were 2 million, or five times as many. Over the next ten years, the demographic trend, putting more than 4 million newcomers on the labour market every year, will merely aggravate this bewildering growth. Those are the brute facts and figures. Even if the demand for labour picks up again, it may not be enough to absorb all the unemployed. We must also bear in mind that the industrial reorganization imposed by the change in world demand and by technological developments seem to call particularly strongly for investment in

rationalization. There are other reasons again why, in times of depression, youth is hardest hit; these are the present structures of the labour market, reluctance to recruit, the priority given to the worker on the spot and the way in which the educational systems and the qualifications demanded by the labour market are growing further and further apart.

Since 1975-6, all the countries of the Community have taken urgent steps to undo the immediate harm caused by the unemployment of young people but it is becoming increasingly clear that these palliatives can only deal with a particular crisis, and that they must be backed up with longer-term measures better able to cope with a recession of indefinite duration.

The Commission of the European Communities has recommended certain lines of action: the allocation of new aids to encourage the creation of jobs and the placement of young people, both in the form of Community premiums for undertakings creating new jobs and of Community participation in schemes for finding employment for them in the public sector. It has also recommended stronger Community action to encourage post-school training of young people by subsidizing on-the-job training and schemes of a more general character.

We believe these proposals to be inadequate in a number of respects and completely agree with our rapporteur, Mr Lezzi, on this point. They contain no detailed analysis of the economic background to the problem of youth unemployment; the situation in the various countries is perfunctorily described; no order of priority is suggested; the Commission makes no attempt to give examples of specific action which the Community could take or to indicate the types of action the nature of which demands a fresh start; and the Commission's approach is a financial one, for example its comment in reference to the European Social Fund that although, since 1975, an allocation of 280 million units of account was made to assist job training schemes for the young, national applications amounted to over 600 million units of account! Finally, the Commission gives no indication whether the measures proposed entail a substantial increase in the resources of the Social Fund or the introduction of a new financing system.

Some of the suggestions made by the Commission may prove dangerous. For example, the job-creation premium is not based on any specific criterion and will merely result in a considerable extension of the field in which the Community is free to intervene and lead to the creation of artificial jobs which serve no real economic purpose. Again, the schemes for placement in jobs in the public sector may extend over a very wide field and for this reason they must remain the exclusive responsibility, political and financial, of the States. On the other hand, we can unreservedly approve the proposal that the Community should

Bouquerel

encourage post-school training of young people and the intensification of activity by the European Social Fund in the field of job-oriented training.

But there is another remedial measure which could undoubtedly contribute, at least in part, to a solution of the serious problem of unemployment, especially among the young, and that is to share out the amount of work which the economy provides so as to increase the availability of jobs for the workforce as a whole. Better distribution of the work is not in itself a sovereign remedy for unemployment; it is one of a number and is obviously no substitute for a more voluntarist economic policy. If we were able to spread the work out more evenly it would produce further advantages, in two ways: it would enhance respect for the European citizen's right to work and it would be easier to halt the deterioration in conditions of work which we are witnessing in certain areas. It is true that any provision for sharing out work means expense for the employer, in both the private and public sector but, compared with the very high cost of unemployment, the expense is undoubtedly less of a burden on public funds and on the Community as a whole.

I should like to refer to something which has taken place in my own country: there, on the basis of some straightforward measures, the political and economic authorities have had marked success in offering young people specific jobs or trainee positions which, in the majority of cases, turned into specific jobs. Why not, after allowing, of course, for local conditions, apply what has been done in one of the nine countries to the Community as a whole?

I must conclude by expressing our approval of Mr Lezzi's report. The new aids proposed by the Commission are to a certain extent supplementary to the activities of the European Social Fund. We trust that the recruitment premiums will be allocated for newly created jobs and that they will offer a greater incentive. The aids for work of public interest appear to be too limited in scope: the advantages of these interventions will weaken the beneficial effect of the arrangement as a whole. With the help of these aids, would it not be possible, for example, to set up some placement arrangement which would help young people to secure a future vacancy on the establishment? Wouldn't it be better to extend the benefit of the aids to jobs in production industries where employers are prepared to offer vocational traineeships? The action proposed is far from being insignificant but, as Mr Vredeling pointed out, the measures adopted by the Member States, like those adopted by the Commission, are all emergency measures designed to offset the immediate consequences of youth unemployment: these palliatives are, in the main, intended to cope with a temporary situation, and they must be backed up by action on a more solid foundation

which takes greater account of the long-term nature of the problem. To do this, we must create growth and, with it, increased employment and at the same time ensure that the education and training of young people are more closely related to the needs and development of the labour market.

Subject to these reservations, the European Progressive Democrats' Group is in favour of Mr Lezzi's report.

(Applause)

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

Mr Spinelli. — Mr President, the majority of the Communist and Allies Group will vote in favour of Mr Lezzi's motion and of the amendments which he has moved to the Commission's proposals. We shall vote in favour because, after all, these measures are for use in fighting unemployment and we cannot therefore adopt a non-committal attitude.

At the same time however, we have to make it clear that our opinion of the proposal as a whole is not very favourable one, and I should like to illustrate this by referring briefly to three of its basic features.

The first criticism, which has been voiced by others, is that we are dealing with a drop in the ocean: I am told that all these aids taken together will help to provide work for 100 or 150 000 people, whereas the total number of young people out of work is more than 2 million. Obviously, this measure falls far short of what is required. Its inadequacy becomes even more obvious when it is borne in mind that, apart from the enormous problem of youth unemployment, there is the other, equally serious, of female unemployment. We have to recognize that, in the way our society is at present organized, there is a bias in favour of males and adults at the expense, generally speaking, of women and young people; in other words, there is something deep down in our society, over and above the purely economic situation, which ought to be changed.

This means — and this brings me to the second criticism — that if we intend to tackle the problem of unemployment we have to begin by thinking out a comprehensive policy for employment and not concentrate on one aspect, however important, such as that concerning the young; we have to establish what, at the present day, constitute the particular foundations on which employment is based, for what reasons the system fails to absorb more than a given quantity of labour and what remedial measure are required. We must not lose sight of the fact that if we rely on nothing more than a return to straightforward market rules, this will absorb only a part of the labour forces in our countries and part of the population will still remain out of work. As has already been stated during

Spinelli

the debate, it is clear that we must give detailed reconsideration to the plans for the future: we must look again at the relationship between training and work to ensure that training is not something completely divorced from work but prepares the younger generation in time for it. It will probably be necessary to organize the various industries and the work itself, on a different basis; in this way work can, generally speaking, be carried on according to the rules of the market but would in some sectors have to be organized in a way which departed from the rules, in order to ensure that everybody had some chance of work, however little.

I have no time to develop these ideas but I should like to emphasize that our situation calls for a comprehensive strategy on the subject of employment which takes all aspects of the problem into account and it is under these conditions that we should go into the particular employment problem of young people, women, the older generation, and so on.

The third point which must be borne in mind is the need for an economic revival; even if we try to organize employment on a better basis, we cannot seriously expect to remove the dead weight of unemployment without applying a policy for recovery which provides new jobs; it is easy enough to say that we must create new jobs but if we do nothing about it, it will remain in the realm of good intentions.

For a considerable time to come our economy must be based on some new plans which encourage effort and interest in investment and labour and, in this way, gradually reduce unemployment. As I have said on previous occasions, this is another possibility which must be tackled realistically and not, as hitherto, in terms of inflation or deflation. No one can claim that countries like Germany and Japan, who are not in such straits, should go far in the direction of an expansionist policy for consumer goods, in order to give a little help to other countries, because these would be short-term and temporary expedients and would solve nothing in the long run. We in the developed countries should commit ourselves to making supplies available to all the developing countries and begin to realize that aid, and the despatch of supplies, equipment and funds for development projects in countries that are still awaiting development are no longer just assistance that we are giving to them but assistance which we are giving to ourselves since in so doing we are helping them to open up fresh markets and fresh opportunities of work for our own industries. If we have economic conditions of that kind, reinforced by a revival of trade and output, we can confidently tackle the problem of employment and of providing it for women and young people.

At any rate, in the hope that the Commission and Parliament will handle these major problems as the key to the particular problem, we shall vote in favour

of Mr Lezzi's motion for a resolution supporting the Commission's proposals.

(Applause)

President. — I call Mr Albers.

Mr Albers. — *(NL)* Mr President, I should like to give an explanation of the amendment which I have submitted. I have been forced to do this in the plenary sitting because it was impossible to do so at the meeting of the Committee on Social Affairs. I understand from the document that the proposal was forwarded to Parliament for its opinion on 20 April; Parliament has thus dealt with this proposal particularly rapidly, and rightly so since much too much time has passed since it was decided that measures must be taken to create jobs for young workers. But the consequence of this was that the amendments which I had originally submitted in the Committee on Social Affairs led to some confusion. I was myself unable to attend that meeting because of the double mandate but, since I feel that I shall have to maintain these amendments, I shall now give my justification to this House.

What is the situation? The Commission announced in a communication to the Council on 18 October that measures had been taken in the Member States to create jobs and that a total sum of 400 million u.a. was employed in work creation programmes in the public interest. These measures have been implemented in different ways in the various Member States and I am of the opinion that the action which has been now announced must in part serve to establish a clear coordination of action taking place in the various Member States.

The fact is that in some Member States the aid granted for the creation of jobs for young workers is calculated by reference to the level of wages. An indirect method. One may object that if such an element is introduced so clearly, it will require lot of work, a lot of research and monitoring. However, having regard to the fact that only a modest amount of money is available to combat a phenomenon which has taken on enormous dimensions in the European Community — only 110 million u.a. capable of creating some 150 thousand jobs overall — if that amount is to have any effect in the European Community, it must be applied extremely selectively. And this is also the Commission's intention.

It proposes that the amount be directed towards the regions most affected, where unemployment is proportionately higher than in other regions. Furthermore it intends to pay particular attention to the linking of education to work, for this they will also take advice from the Centre for the Development of Vocational Training in Berlin. Finally, it will, where possible, devote particular attention to the problem of unemployment amongst young women — which is propor-

Albers

tionately higher than unemployment amongst young men. This means that all the projects which are submitted will have to be assessed and adjudicated. And here I am of the opinion that these projects should also be judged against the wages which are paid since this scheme as proposed here must not simply become a subsidy scheme for employers.

One has to ask, when jobs are being created, what a job costs and what the job produces. And the fact is, Mr President — and no one can deny it — that too much aid is being given to industry by the governments of various Member States without their exercising any control, and without the trade union movement having sufficient opportunity to make its views known on the desirability of the aid and also without sufficient control on whether over capacity is being maintained or even created. That is the background to the amendments which I have submitted and which state that, in each case, there must be a relationship between the aid to be granted and the wages actually paid. It says in the regulation that between 60 and 30 u.a. is to be granted, which thus leaves open an opportunity for variations. But the Commission bases its document on the supposition that approximately 150 000 jobs can be created and this calculation is based on the maximum of 60 u.a. On my calculations, it must thus be possible for the available amount of 110 u.a. to be used to create not 150 000 but perhaps 200 000 or 250 000 jobs. It makes a substantial difference whether 17-year olds are to be offered work or, for example, 24 or 25-year-olds, who earn considerably higher wages and thus need greater aid for the creation of a job.

Finally, Mr President, I should like to ask how precisely this regulation is to stand in relation to the existing European Social Fund regulation concerning vocational training programmes. Since July 1975, 280 million has been made available and because the number of applications expressed in money terms amount to 600 million, this scheme is still exclusively applied to young people who are looking for their first job and also young people without qualifications. There must therefore be a relationship between the existing aid scheme and the new proposal and this is not made clear in the document we have received from the Commission.

Mr President, my speech is not intended as a criticism of the rapporteur; I value very highly the report he has drawn up. I am just sorry that we were not able to discuss my amendments in committee according to the normal procedure.

President. — I call Mr Yeats.

Mr Yeats. — Mr President, I was very grateful to Mr Lezzi for giving us the opportunity to debate a subject which has now become deeply rooted in our thoughts — the problem of finding ways to provide work for the unemployed youth of our Community.

The rise in youth unemployment poses an enormous challenge to the European Community. Each year since 1969, with one exception, there has been an increase in the Community as a whole, both in the number of young people under the age of 25 who are unemployed and also in the proportion of such young people to the total number of unemployed. The rate of unemployment among young persons aged under 20 is now about three times as high as the overall average, and that of persons between 20 and 25 years of age is almost double the overall average.

So far as my own country, Ireland, is concerned, an EEC labour-force sample survey carried out in the year 1975 showed that almost 50 % of the total population at that time was under 25. Unemployment amongst this age-group, which represented only 30 % of the total labour force, constituted 43.6 % of total unemployment. This compares unfavourably with the Community average of 37 %, which is causing such great concern in all our Member States. Ireland, therefore, is already experiencing substantially worse youth unemployment than is the rest of the Community. To compound the problem still further, estimates of the population trends in Ireland indicate, for those between the ages of 15 and 24, an increase of 10 % between the years 1976 and 1981 and a further increase of 6 % between 1981 and 1986. These facts, I think, underline the seriousness of the situation: they indicate that Community action must be immediate. If this is not the case, then the unemployed youth of tomorrow will be joined by the unemployed youth of today.

In the Community taken as a whole, youth unemployment has now reached the startling figure of 2 million. This did not happen overnight. It has been growing steadily since 1973. This is 1978, and yet we are only now discussing proposals which can only begin to come into effect in the year 1979. Experience has shown us that by the time applications have been made for funds to be allocated to programmes either in a regional or in a social context, considerable delays can occur. It is my hope, therefore, that the Social Fund direct aids leading to the employment of young people will be granted with the minimum possible delay. Applications should be submitted immediately, so that by 1979 both young people and employers are ready to undertake their tasks. We are now approaching the end of the final academic year for many of those attending school and university. Many of these will have excellent qualifications but no prospects. Many will be satisfied simply to have finished; but the common future that very many of them will share is that of unemployment. The school- or university-leaver is faced with the problem that while, on the one hand, without a job he can gain no experience, on the other hand, without experience he can find no job. The crucial requirement is the gaining of experience. Everyone must be given a chance to get some work experience, and we must break the vicious circle

Yeats

and provide jobs in both the private and the public sectors. I welcome, therefore, these proposals of the Commission, while recognizing that in no way can they be looked upon as providing any real final answer to the problem of youth unemployment. They will, indeed, do something to lessen the impact of unemployment amongst young people, and to the extent that this proves to be so, one can approve the Commission's initiative.

The Commission envisages that aid will be granted only in respect of regions where the rate of youth unemployment is higher than the Community average and appreciably higher than the national average. Accordingly, it estimates that while roughly half of the 1 million unemployed young persons in the Community could be regarded as eligible for the aid, only about 10 % could actually benefit.

There can be no doubt that this new commitment to the principle of aid for wage subsidies to promote employment is a most important development, but one can only insist that the initial budgetary appropriations proposed are inadequate in view of the magnitude of the problem facing us. When it is recalled that Member States are already spending 350 million EUC annually, the proposed payment next year of a mere 40 million EUC could not be described as other than a token. It is welcome, of course, but payments on this scale are hardly likely to solve the problem.

It may well be that the cause of increased youth employment could be advanced if the mobility of labour could be improved amongst technically and professionally qualified and experienced persons in the under-35 age-group. There should therefore be incentives to induce such persons to leave their secure employment and set up new enterprises. The posts thus vacated would be available for suitably trained young people coming onto the labour market. In addition, these people would themselves create additional employment in their new ventures. Such a development would help to increase employment by encouraging initiative, enterprise and innovation amongst this highly-qualified group. I would suggest to the Commission that help for such new enterprises could be made available through the Regional Fund, and there could also be aid from the Social Fund to compensate for any loss of pension rights which such movement of labour might entail.

We welcome also the Commission's proposals to give special priority to post-school training involving periods of practical work experience in the allocation of Social Fund resources and to prove the view that additional resources should be given to the Fund for such training. It is regrettable, however that the Council, while accepting the principle of this proposal, has not, as yet, accepted the consequent necessity to approve a corresponding increase in the resources of the Fund. There must be no question of cutting

down on other programmes in favour of young persons as a result of the introduction of aid for post-school training.

In conclusion, Mr President, I would like to remind the House of the critical level of youth unemployment in the Community. It now stands at 2 million. There must be no delay in implementing the Commission's proposals. The youth of the Community must be given the opportunity to gain valuable work experience, for, as I have already said, without such experience the Community will suffer in the future in terms of its social and economic policies.

President. — I call Mr Damseaux.

Mr Damseaux. — Mr President, Commissioner, colleagues, let us consider the following three points :

- (1) a regulation concerning the creation of new European Social Fund aid in favour of young persons ;
- (2) a decision amending Decision 75/459/EEC of 22 July 1975 on action by the European Social Fund for persons affected by employment difficulties, as amended by Decision 77/802/EEC of 20 December 1977 ;
- (3) Europe, the Common Market, looks after young people. There are more than 2 million listed.

These three points, in the abruptness of their presentation, show the jauntiness with which this grave problem is regarded, or at least approached.

The rapporteur, Mr Lezzi, told us a while ago he also is disappointed by the very weak Community effort. A few million units of account, exchanges of young people or a dozen pilot experiments will not ensure a future occupation for our young unemployed. Of course, the Commission will say that it has not the necessary financial means or that its action is limited by the Treaties. This may be the case ; nevertheless, it means a lack of impetus regarding European youth who are still waiting and, I am afraid, wasting away in the crisis.

At first sight, we should be glad to hear that most young people still have an interest in work. But an analysis by age-group and country reveals a clear tendency on the part of young people of 22 to 23 years of age in an economically weak country to be content with earning just enough to make a living. This reflects the boredom and bitterness of young adults who were unable to find paid employment after completing their education.

The alarm bell has rung. The unemployment of young people is no longer a temporary phenomenon. It has produced disillusionment among youth who have nothing to do and little hope for the future.

It is up to us to do something and we cannot rest content with a handful of schemes and a sprinkling of cash.

Damseaux

In May 1968 the first demonstrators, not the rioters, distinctly used the slogan 'l'imagination au pouvoir', according to many eye-witnesses. Are we now going to act like bureaucrats and take refuge in what is 'easy' or 'safe'?

But it is more interesting to know what the youth of May 1978 want. On this point, an indication of the new values of European youth was provided by the result of an opinion poll which appeared in '30 Jours d'Europe' last April. To the question, 'What do you hope to do when you've completed your education?' They gave six answers:

1. 'Earn just enough to make a living';
2. 'Earn enough to make a decent living but with enough spare time to do the things I want';
3. 'Have an interesting and congenial job';
4. 'Make a fair amount of money';
5. 'Have a job with plenty of responsibility'; and
6. 'Have a safe job'.

So, when free to choose, most young people prefer an interesting job which suits them and gives them enough leisure.

Europe gives our young people the chance to make a fresh start. The educational systems have given them the trowel. Europe must give them bricks and mortar and, from what I know of them, they'll build all right.

In Paragraph 14 of his motion for a resolution Mr Lezzi proposes that 'there must be no further delay in drawing up and putting into operation a comprehensive programme in collaboration with the social partners and the Youth Forum to be set up, coordinating not only action by the Community's financial instruments but also the various policies concerned with education, career guidance, professional training, job placement and employment'. This means that we must help our young people in a way which attacks the root of the trouble and continues as long as this is necessary.

Some may think that collaboration with the young is valueless. I do not agree because, after studying the proposals made recently by the young liberal reformers of Wallonie and Brussels, I have to recognize the justice and validity of their claims.

These young people express a clear preference for the creation of productive jobs rather than mere placement in administrative posts which camouflage instead of removing unemployment. They also make specific proposals to enable young people to start earning their living. Forestalling their own government, they go on to suggest tax incentives which, if they became law, would help young people to enter

the labour market, whether working for others or on their own account.

Mr President, I am tempted to call my intervention in the debate an 'appeal' rather than a 'contribution'.

The youth of Europe look for determined action and this is Europe's chance.

We must listen to them and help them to build a 'way of life for European youth.'

Their welfare and that of our fellow-citizens and the future of our society are at stake.

President. — I call Mr Lemoine.

Mr Lemoine. — (*F*) Mr President, this debate is an especially important and opportune one. It is concerned with a serious problem, which is one of the most distressing that our peoples are called upon to face. It deserves all our attention and demands effective action.

There are more than 2 million young people out of work today. One out of every five young persons aged 20 is unemployed, in many cases never having been in work. This also applies to France, in the case of both sexes: one out of every three young girls aged 20 is out of work and in certain regions this figure sometimes reaches or exceeds 50%. Youth unemployment is not a minor development. Nowadays it affects entire generations, as can be seen from the way in which unemployment has taken hold and goes on increasing in all countries of the Community.

Today we have passed the peak of 6 million unemployed. It has reached the highest level ever recorded in our countries and the economic and demographic prospects for the next few years are the subject of constant uneasiness and concern. The OECD forecasts that France will have 200 000 more unemployed in 1978. Who can tell what, in social and human terms, this means for the families concerned and the young people themselves, who feel rejected by society at the very moment when they should be taking their full place in it?

But the steps taken so far and the attitudes adopted both by the Member States and the Commission are no foundation for an effective fight against unemployment, which can only get more and more serious. Concealing the real causes of unemployment or treating or trying to get it accepted as inevitable, as some people do, will solve nothing. It is not easy to explain to a young man who has just left school that he is not needed and that there is no room for him. And it is no longer good enough to say, as the Commission does, that the question of the employment of young people is a question of the mechanics of the economy.

Lemoine

If there is any truth in this statement it is that it identifies youth unemployment as a feature of the crisis in the highly developed capitalist societies and as one aspect of the grave crisis which affects the Community. This is not a matter for surprise, but is unfortunately a consequence of the attitudes adopted hitherto. These have been summed up rather well by Chancellor Schmidt in terms which are familiar to us all: 'Today's profits are tomorrow's investments and the day-after-tomorrow's jobs.' It is just this policy which has not produced the expected results. Priority has in fact been given to the profits of big business to enable them to reorganize.

Commissioner Ortoli has talked to us for many months about economic recovery but it is the recovery of profits which is disclosed by the results of the big companies in 1978 and this is the result of the various Barre plans and of the policies applied in the other countries of the Community. A revival of demand for consumer goods together with a judicious expansion of investment is the best way to defeat unemployment. Increased purchasing power creates jobs because it enlarges the suppliers' markets. But words are no good unless they are followed by deeds! And what about the French Government's recent decision to raise the minimum wage? At less than FF 60, it is laughable but is a good illustration of the determination to make the workers carry the burden of the crisis because a policy of continued austerity will further increase the number of unemployed, especially among the young.

In fact, although specific steps must be taken in the case of young people out of work, unemployment is primarily the outcome of economic structures which no longer meet needs, especially the need for work. These specific steps must form part of a general advance in economic and social progress and of a comprehensive plan to produce full employment. If not, they may very well look like alibis.

In this connection, it has to be said that the amount of attention which the European Institutions have hitherto devoted to the subject of unemployment has been modest, to say the least. To start with, every time plans are applied to industry, thousands of workers are thrown out of work, as in the case of steel and ship-building. Again, it is the workers of the Terrin group who today are fighting to keep their jobs and to maintain the productive capacity of my country. In fact all that has been done at Community level is, if I may say so, to organize unemployment.

In the circumstances, you must agree that the 350 million ECU allocated in three years by the European Social Fund for the training of young people who are unemployed is totally inadequate. We must have a comprehensive plan for bringing back full employment and not measures, some of them vote-catching, such as those adopted by the French Government on the eve of the general election with a view to arti-

cially reducing the statistics of the unemployed rather than unemployment itself.

I must in all honesty say that the proposals made to us by the Commission have no connection with what we have to achieve. This is also the tenor of Mr Lezzi's motion for a resolution and he rightly emphasized their weakness and shortcomings. At the same time, while I agree with the criticisms directed at these proposals, I think the criticisms would have carried more weight if they had been prefaced by a comprehensive and clear report on youth unemployment, which would no doubt have put Parliament in a position to make more constructive proposals. What about those of the Commission? The Community's experts themselves declare that the number of young people unemployed who could benefit from the new proposals is less than 150 000. This figure is probably less than the increase in the number of young people unemployed in 1978 alone. In fact, the situation is too serious to be dealt with by *ad hoc* measures but unfortunately, the Commission's proposals maintain the impression that the Community is incapable of coping with such a distressing problem as unemployment among the young.

We have to move in quite a different direction. We must make the restoration of full employment a basic objective of economic policy and, in the short term, adopt concrete measures to help the unemployed, especially the young.

They must first of all receive protection. We must lay down a minimum for their unemployment benefit. In France, we have proposed that for young persons seeking employment for the first time this should be 50 % of the minimum wage. We must cut out all abuse of part-time work and acting duties. We need a policy which creates jobs and provides vocational training and guidance, a policy which establishes a satisfactory relationship between the promotion of employment and investment. In particular, this involves action by workers' representatives to ensure safeguards for employment in investment programmes, a financial policy which encourages the creation of jobs, and the adoption of work contracts in the public and nationalized sectors which contain precise commitments on the subject of jobs. This means a policy commensurate with the seriousness of unemployment among the young. It is only by going along this road and reconciling economic progress with social advance that the Community can, for the younger generations, be a symbol of hope and act as the custodian of their future. Unfortunately, the proposals made by the Commission today do not enable us to go along this road.

President. — I call Mr Brugha.

Mr Brugha. — Mr President, I rise to speak in addition to other members of the group, because I feel that this question is a serious one and an urgent one. I

Brugha

also feel that there is always the danger that, because the unemployment level in this Assembly is probably nil, and the age level is in the higher brackets, it might be thought that failure to speak indicated a lack of interest in the subject. I welcome what has been said by the rapporteur, and I do welcome the efforts to date in the thinking of and in the proposals that have been put forward by the Commission, but I am not satisfied that we, as a Community, are doing enough. The fact that you have got, in the younger group, a level of 2 million not working and, overall in the Community, a level of about 6 million not working, to me spells out a problem that calls for deeper and fresher thinking by all of us. I do not intend to go back over the ground covered by other speakers, but it may be useful to indicate what may be helping to create the sort of problem we are facing now. For example today, as compared with earlier in this century, young people are not as involved in armies and in protective measures as they were, and this is a good thing in itself. Secondly, more women and girls are taking up employment generally than used to be the case, and thirdly, the international trading situation is not picking up as many people hoped that it would.

The net result, giving rise to this debate, is that many young people are idle and potentially getting into trouble or difficulties of one kind or another, and as I said some good ideas have been put forward by the Commission to try to remedy the situation. I believe myself that, even in what is being done, there is a lack of adequate assessment of potential future vacancies. There is not enough information being collected, or if it is being collected, it is not being published to show where success has so far been achieved. One fact is evident — certainly in my country, as I understand the position from those I meet — and that is that at the present time, if a young person has a good training, he or she has a prospect of a job. Apart from the overall low level of trading, this seems to be one of the factors that is evident and would encourage agreement with the additional suggestions being put forward by the Commission for increased and expanded training. I think not enough is being done by employers to give even temporary training to young people. I think more could be done along those lines.

I said that fresh thinking is necessary or seems to me to be becoming necessary. Speakers have indicated the high level of young people unemployed in my country and in other countries. In Ireland, if one looks back into the last century, one finds that there were urgent emergency schemes from time to time, and the only evidence that remains of these in that we now have, in parts of Ireland, buildings of unusual kinds that are regarded as tourist attractions. They were, in fact, work that was done either by the employers of the time or by the State to provide employment for people who were starving. That gives

one something to think about: the contrast between that period, over a century ago, and the present-day period, when we are talking about providing temporary employment for young people and providing social welfare and so on, while apparently not, at this stage, talking about the overall employment situation. I am saying that because I feel that what we should in fact be supporting is the idea that every person capable of working should have an opportunity to do so, and that we should not appear to go along with the idea that a lower level of employment, either generally or amongst young people, can be regarded as acceptable.

I think that we as a society, throughout the Community, owe an obligation to those who wish to work to try to provide it, and I believe myself that we may be reaching a point where the challenge is growing, where it may become necessary to take a look at fresh measures. For example, we are now paying a lot of people throughout the Community not to work. It may be traditional to regard this, and it may also be traditional on the part of those who are working to regard this, as being the norm. I think that we may have to face up to the idea that if we are going to continue with that sort of situation, some of the ideas about Community schemes may have to be expanded. We may have to offer, not only to young people, but also to those who have not had work for a long time, the opportunity of doing a couple of days' work of some useful kind in Community schemes and pay them the unemployment level, or slightly more than the unemployment level, because the important thing, I believe, is to accept the principle that people should have employment. I myself do not pretend to know what the answers to those questions are, but the reason I have spoken is to draw attention to the feeling that is coming to many of us that fresh thinking is necessary. We may have to do it before long. It is we, I believe, in this Assembly of the European Community, and the Commission, who will have to do that thinking.

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

Lord Bethell. — Mr President, I speak on a subject which is not my speciality, in the absence from this Chamber of most of the delegates from the United Kingdom, because of the vote last night, and particularly in the absence of my honourable friend, Mrs Kellett-Bowman, who normally speaks for this group.

Every speaker in this very interesting debate has emphasized the horrible nature of this problem, which now has reached monstrous proportions in the Community what dangers youth unemployment can lead to, with 2 million young people leaving school and going on year after year, in many cases, unable to find any job at all. The social dangers that this situation presents and the possibility that many of them may turn to crime or to violence — all these dangers

Lord Bethell

have very rightly been brought up in this debate, and I think it is extremely urgent and important that we should discuss it.

Most speakers have said that the Commission has not done enough, and I dare say they are right, but I think it is appropriate as well to give the Commission a little encouragement for what they have done because if it is true that they are bringing forward proposals which will produce work for some 150 000 young people out of the 2 million unemployed and that these young people will be from the poorer parts of the Community, from areas where jobs are particularly difficult to find, then this is really quite something. It is an achievement by the Community which I think the Community should make a certain amount of publicity about because I am sure I speak for all of us in saying that we are very often asked what the Community has done for the ordinary citizen. Now this is something which the official institutions of the EEC have turned their minds to with care, and given the poor resources of the Community, the limited budget on which it has to deal with social policy, I do not think that the Commission has done too badly, and we should encourage it in what it has done.

My only concern is that in creating jobs of — we are all in favour of creating jobs when there is unemployment — we do not create artificial jobs, that the aid and the training offered by the Community should be geared, in conjunction and in collaboration with the authorities of national governments, towards jobs which have economic meaning and which will, in the final analysis, be profitable when the expected upturn in the economy takes place. There is some fear among some of us that the training programmes may turn out to be something in the nature of charity and that the jobs to be provided may prove to be jobs that do not last. This would be a great disappointment to the young people who are due to benefit from the scheme which has been put forward. I would therefore express only this one worry, that the aid should be properly geared and coordinated with the authorities in the areas where it is predominantly to go, so that the jobs which are to be provided are long-lasting, serious, skilled as well as unskilled jobs: this is something which the Commission, the other institutions and the Parliament should work towards.

With that one word of caution, Mr President, I would like to give my welcome to this scheme.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-president of the Commission. — (NL) Mr President, I would like to start by addressing a word of gratitude to the rapporteur of the Committee on Social Affairs, Employment and Education, Mr Lezzi, and also to the draftsman of the Committee on Budgets, for the fact that both committees have delivered their opinion in such a particularly short time on what I consider to be, and I believe that this is also the feeling of Parliament, an extremely important Commission proposal. The fact that it has

been possible to obtain the opinion of Parliament in May will now enable the Council of Ministers to take decisions of principle at least at the end of June on the proposal that we have put forward.

This proposal, as many of the Members of Parliament and the rapporteur have pointed out, must naturally be seen against the background of the very high rate of unemployment among young people in our Community. In 1977 young people constituted 37 % of the total unemployed, although they represent only 17 % of the working population. In absolute terms, unemployment among people below 25 years of age at the end of 1977 affected 1 081 300 men and 1 133 100 women, making the total of unemployed young people below 25 years no less than 2 214 400. These figures clearly indicate to what extent this problem is a growing one. I could also put the problem in terms of the increase in unemployment of young people between 1975 and 1977: during this period the number of young men out of work increased by 40 % and the number of young women by no less than 72 %, the average increase in unemployment for young people being 55 %.

Mr President, I would like to echo the sentiments of the honorable member who called for special attention to be given to the question of the problem of unemployment among young women. Both Mr Dinesen and Mr Spinelli referred to this point in particular. I believe that it is particularly commendable, with the proposals we now have in hand, and especially as we are only too inclined to think primarily of young men, to point out the extremely urgent question of unemployment among women and girls, which is worse than the unemployment for men. It was my belief that we should take account of this factor in our programmes.

In considering these general unemployment figures we should also give very special attention to the duration of the unemployment itself. Young people in some places have to contend with long periods of unemployment. Of the young people out of work at the end of 1977 no less than 20 %, one-fifth, had been out of work for more than six months. Whereas it may not be so difficult to accept unemployment for a short period, especially when one is young, it is extremely difficult to accept long-term unemployment of six months and longer. This figure of one-fifth of the total indicates the seriousness of the phenomenon and its persistence.

Taking the forecast and the breakdown of the figures we can see that in the years to come the shortage of jobs for younger generations will increase and the labour market picture is in fact fairly sombre. In the next ten years we shall see an average of about 4 million young people entering the labour market, looking for work, while at the same time an average of only 2.5 million older workers will be leaving the labour market and retiring. This means a net require-

Vredeling

ment per year of 1.5 million jobs in the next ten years. And we have to see this in conjunction with the already very serious unemployment situation, and against the background of a rather gloomy economic situation. In this connection I would like to join with those who stressed this point in particular and particularly Mr Dinesen, Mr Meintz, Mr Bouquerel and Mr Spinelli. It was they who asked for a much more comprehensive programme based on structural measures, with the measures to combat unemployment amongst young people, as we have proposed in this document, being seen simply as flanking measures.

In the opinion of the Commission, the honorable members who made these points are perfectly right. The truth is that the real effort against unemployment is not to be found in these measures which are in fact designed to cure the symptoms, i.e. the very high rate of unemployment amongst young people; we are doing something about this simply because it is so high. But this is not enough to solve the phenomenon of unemployment in general; for this we shall have to elaborate much more drastic measures, and this is a point that the Commission and my colleagues in the Commission have made on several occasions. I would like to point out that for this we need a much more vigorous, a much more selective economic growth pattern. This means that particularly in a society such as we know in Western Europe there must be a revival of growth in world trade and as you know this has not been the case at all. Western Europe has been affected more than most by this phenomenon since we here in our Community in particular are so dependent on the ramifications of world trade. Here we must particularly try to iron out the enormous balance of payments gaps and resolve the monetary chaos which is a feature of our present situation, and here I believe one very important factor is something that the Commission, and particularly Mr Jenkins, has often advocated, namely an Economic and Monetary Union, in order to create the conditions needed to give a strong impetus to economic revival in our Community. I would also like to point to the great importance of the successful conclusion of negotiations within the framework of GATT — not only the trade policy measures but above all — as Mr Spinelli pointed out — the urgent need for a policy designed to transfer incomes from our Community to the developing countries on a much larger scale. This is necessary for various different reasons not least of which is the situation of the developing countries themselves, but it would also create the possibility within our Community of an economic upswing and this would benefit both parties.

Mr President, I would also like to point out that the sectoral structure policy evolved by my colleague Commissioner Davignon is also very important and in fact much more important than the measures proposed here. They are designed to remedy the

causes of unemployment, while the measures that we are proposing here are aimed at combating the phenomenon of unemployment amongst young people without endeavouring to eliminate the deeper causes. I cannot emphasize often enough that this is the proper approach, although at the same time we must not conclude that the present kind of measures would be better forgotten. The reasons for this are to be found in the long-term character of the present situation and the fact that things are not to be changed at the drop of a hat. All the forecasts indicate that it will take a number of years and we must therefore pass measures in the meantime such as we are proposing designed to combat here and now the phenomenon of unemployment amongst young people and thus create a fairer distribution of the burden arising from the lack of employment and spreading this burden over the whole population. For this we also need — and Mr Bouquerel rightly pointed this out — measures designed to redistribute on a fairer basis the work there is available. To this end the Commission has as you know, already made proposals. Within the framework of the Standing Committee on Employment we have already had discussions with both sides of industry on this point and we are now elaborating proposals in preparation for the Tripartite Conference which I hope will be held at the end of this year. These are of great importance for employment prospects, together with the proposals that we are now putting forward with respect to young people.

The specific measures which we are now proposing are in fact designed to deal with the problem of excessive unemployment amongst young people in the short-term and I would like now to indicate a few of the main features of our proposal. We have put forward one proposal of which is said — and I shall go into this in a moment — to be unoriginal: it is however very specific and very new. A point that I felt had not been made properly was the fact that the Social Fund is now for the first time in its history leaving the province of vocational training and conversion premiums and for the first time entering the field of direct action against unemployment. On an earlier occasion I described this as tantamount to breaking the sound barrier. Apart from the Coal and Steel Community which is already familiar with this kind of measure, there has so far been no effort in the framework of the European Economic Community to formulate measures directly designed to combat unemployment. And I believe that this debate has so far done little to emphasize that this is a most decisive step especially as far as the Social Fund is concerned, as far as the Community itself is concerned and as far as its direct responsibility for combating unemployment is concerned. These special actions are designed to work in the short-term as I said, and here we shall have to see above all that we create extra jobs, a point which various members have also stressed and on which I shall say more in a minute in connection with the questions which have been put.

Vredeling

So, Mr President, I would like to point out that the resolution is in places critical of the fact that the Commission has taken so long to put forward these matters. It took rather longer than I hoped and this is something I mentioned before. But I would like to ask you to compare once again the time we have taken and the time this kind of measure takes in your national parliaments. We have received a request from the Council meeting in October. We have had a reform of the Social Fund which came into effect on 1 January and barely three or four months later we now have proposals for the Council based on the new Social Fund. I would like to hear how quickly these things are done in your own countries.

I do not think, Mr, President, that for instance the preparation of the French measures to combat unemployment amongst young people which I believe came into effect on 1 July of last year only got under way on 1 March. I think preparations started earlier and that there had to be intensive studies and consultations to formulate these measures. This puts into proper perspective some of the remarks made here that we have taken so terribly long in formulating these proposals, although at the same time I would like to point out that we regret that the proposals are somewhat later than we had planned.

At all events these measures are to come into force at the start of the 1979 budgetary year since the proposals are now with the Council. This is a target date which I believe can be easily kept to.

There have also been a number of criticisms of the lack of originality displayed by the Commission. I have heard an awful lot of criticism of the fact that the Commission proposals do not present any new points, and this criticism has sometimes even come from the Commission itself: but if I were to ask you what original ideas you had I doubt whether I would receive an answer. Nothing new was put forward during the Paris Conference last December of all the Ministers of Social Affairs not only of the EEC but also of Sweden, Norway, Austria, the United States of America, Japan, etc. In none of the reports from the various countries was there a single measure put forward by the responsible Minister for Employment which contained original concepts as to how to combat unemployment amongst young people. Here I am using the word original in the sense of something that is completely new. The country which has the most comprehensive programme in this area is Sweden. I know of no country in the world where the combating of unemployment, and in particular unemployment amongst young people, is based on such a comprehensive programme as in Sweden. Sweden is also well-known for this. But if you were to ask me whether Sweden's programme contains a single measure which is original and which is unknown to us in our own Community, in Italy or in France or in the Netherlands or anywhere else, then I would have

to answer in the negative. All the measures which are practised in Sweden are to be found in one form or another in one of our Member States. A great advantage of the Swedish programme is that it forms an integrated complex of coordinated measures. That is the real originality of the Swedish programme, We must not go looking for something new simply because some people want originality. If I have understood matters properly nothing new at all has been proposed here; the only thing I have heard is the suggestion from Mr Caro that we should give special attention to young people leaving military service since they often face particular problems when looking for jobs. This is a useful suggestion although scarcely original since this is something we already do in our Member States. In the Member States which have compulsory military service special attention has already been given to such young people. In my own country, the country with which I am most familiar it is even stipulated that the employer must re-employ the person concerned after he has finished his military service. I am saying this simply to make it clear that although it is easy to say that we should do something original, it is far less easy to make specific suggestions.

Mr President, it has also been claimed here that we are doing no more than subsidizing national budgets. This is something which I must strongly deny. The Social Fund is a very important fund whereby in our Community resources can be transferred from the richer regions to poorer regions with lower *per capita* incomes. Just think of Ireland and Italy; these are two countries which profit enormously from the Social Fund as far as vocational training is concerned. This will continue to be the underlying concept of our new measures. The novelty of these measures lies in the fact that they constitute a 'redistribution instrument' in our own Community. On the other hand I would like to point out that our programmes — this already occurs with vocational training and we shall adopt this method with the new plans too — are selected to ensure that support is given to the most promising projects, i.e. the projects which are of the highest quality. We therefore already have in our Community criteria for the reallocation of resources and quality criteria for the granting of our subsidies and it is not true to say that we intend to blindly subsidize national budgets.

Mr President, I would now like to answer a number of comments which have been made in the course of the debate. Mr Lezzi drew attention to paragraph 4 of the resolution which I also read attentively and with some satisfaction. This paragraph sums up a number of criteria for the granting of support. These criteria are fully acceptable to the Commission and we shall take these ideas as a basis in the further elaboration of our guidelines.

Paragraph 4 (c) states that priority should be given to the creation of jobs in the expanding industrial sectors

Vredeling

i.e. in the growth sectors. This is a particularly commendable idea which is entirely in line with what the Commission is preparing at the moment and we shall therefore quite certainly be able to accept this criterion.

Mr Spinelli also spoke about the great importance of the link between vocational training on the one hand and employment on the other. We shall never lose sight of vocational training in selecting the projects which we are to subsidize in the field of anti-unemployment measures. We shall strengthen the link which exists between these two aspects and in setting our priorities we shall bear this point very much in mind. Projects which not only create work for young people but at the same time can be integrated into the framework of vocational training will be given priority for the kind of support which we are intending to give.

With reference to the comments made by Mr Caro to the effect that both sides of industry and young people's organizations should be included in this work, I am completely in agreement. I would link this with the observation made by Lord Bethell that much more publicity should be given to this matter — although it must be remembered that we are of course bound by what the media want to publicize. I believe that the present proposals have already had a lot of publicity but, Mr President, I shall always be open to the idea that the two sides of industry and young people's organizations should be asked to participate in this work. I would like to remind the House that in the framework of the Social Fund there is a committee composed of representatives of employers and employees and also of the governments and that it is up to Member States to determine whether young people's organizations should also be represented in these delegations.

Mr Caro also pointed out the relative importance of our proposal. There was a hint of demagogy in his statements, for example when he said that in France 600 000 young people leave school and enter the labour market every year and that we are only prepared to take account of about 100 000 of these 600 000. In fact the figure is 150 000 per year but that is indeed only a small proportion. But, Mr President, of these 600 000 and all young people who leave school throughout the Community every year the majority can still fortunately find work. In the Netherlands, for which I happen to know the figures, the number of school-leavers is 200 000 and of these 180 000 are able to find work on their own. So the number of young people which we have to help in a country like the Netherlands with our special programme is 20 000 or exactly 10 %. This is not far from the Commission's figure. We took 10 % of the category eligible for support since we want to work on a selective basis and grant support primarily where unemployment is above the average. As I noted earlier

we must see how things go and as Mr Yeats pointed out this kind of measure always needs some time to get moving. I believe that our proposal represents a good estimate and that ultimately it does not fall very far short of the real needs which can be met.

We must not be side-tracked by the illusion that we can pay for all young people — 2.2 million unemployed young people — from Community resources. Full responsibility for everybody out of work in the Community is something which I hope will be put into Community hands although at the moment it seems to be a long way off. But with this proposal we have made something of a breakthrough in a direction which the Commission would like to pursue in the combating of unemployment amongst young people.

Mr Meintz rightly pointed out the necessity of working efficiently as far as the management of the fund is concerned. Mr Bethell also made this point when he talked about avoiding charity. We should not subsidize jobs which can only be held open as long as the subsidy is given, only to be terminated as soon as the subsidy ceases after six or twelve months, whereby the young people again will become unemployed. This is something we have already indicated in the basic principles which we would like to apply for the guidelines which we must evolve on the basis of our proposals. We should therefore give top priority to the projects which provide the best possible guarantee of jobs which will survive even when the premium is no longer payable after six months. We should therefore study this carefully and bear in mind at the same time those sectors which have potential and those careers which also have potential for the future.

Finally I would like to consider the amendments. Mr Albers tabled a number of amendments which I believe to be based on a complete misunderstanding. This is not a knock-down argument, but rather a case of a misunderstanding since these amendments are quite redundant.

In our proposal we speak of a link with wage costs — I don't have the actual text in front of me — but it was an allowance for wage costs to the maximum of 30 or 60 u.a. etc. And now Mr Albers says: 'An allowance directly related to actual wages, etc. Naturally it would be too stupid if the wage costs were not actual wage costs. The system will operate in such a way that the Member State which submits the project — the Member State must take the initiative, this is not up to the Commission — must give a subsidy towards the wage costs. The Member State, for example the Netherlands, where we have special wage rates for young people, will naturally grant a subsidy in proportion to the young person's wage and we shall then add a similar amount. Naturally we shall grant analogous subsidies depending on the system in power in the Member States — and the systems are not identical. This can never be the case; we cannot use this kind of measure to go over to a degree of harmonization or

Vredeling

standardization of a system. I suspect that the ideas of Mr Albers are tending towards our special system of wages for young people in the Netherlands. I do not want to see a different system adopted in the Netherlands than the one we have at the moment, or would I suggest that the Netherlands system should be transplanted to Italy. This would be just as unwarranted transplanting the Italian system to the Netherlands. There is scope for a variety of national systems since the individual countries may have different traditions and different situations. It would make the matter enormously complicated if we were, on the basis of these proposals, to pursue the harmonization of wages for young people and other such things.

However that may be, Mr President, as I have already said I consider this amendment to be superfluous and therefore misleading since it makes it look as if we have proposed something which is not based on actual wage costs, which must therefore be amended. This is quite wrong, we also take the wage costs as the basis since the Member States take them as their basis. Once again we are not going to provide a direct subsidy for wage costs, we are simply going to match the subsidies which Member States give under their national systems and the Member States will be primarily responsible for granting the subsidies. And in the case of the Netherlands, which is a situation with which both I and Mr Albers are naturally best familiar, this means that the Netherlands' Government will have responsibility for the subsidy system under the supervision of the Parliament. The same will apply to Denmark, the Federal Republic of Germany and for all the other Member States. In addition we can also give grants for projects which satisfy our guidelines and thus meet with the approval of the Commission.

I would like to make one further observation on the modification proposed by the Committee on Social Affairs, Employment and Education to Article 1, second indent of the proposal for a regulation, i.e. that assistance may be given towards expenditure incurred in financing programmes to recruit young persons for newly created jobs relating to activities or services in the public interest. The modification changes 'newly created jobs' to 'newly created as well as existing jobs'. Well, Mr President, if I compare that with the text of the motion for a resolution itself — paragraph 12 for example states that it is not practicable in some Member States to start up new programmes of public interest in order to create jobs — I could well imagine that this may sometimes not be possible, but then there is the additional comment that in these places existing programmes should be consolidated. Under certain circumstances I could agree that certain programmes should be extended with our subsidies but this will lead to the creation of new jobs since the programmes themselves will be expanded. We must not start taking over the role of the new national subsidy arrangements; our subsidies must be comple-

mentary and they must be selective. If, as is stated in this modification proposed by the Parliament, existing jobs, which have therefore already been created in one way or another by the Member States, are to be subsidized, we shall not be creating any extra jobs and should be doing exactly what Mr Caro in particular has just rejected. Then we would be replacing national expenditure by Community expenditure and once again I would like to say that that is something I would not like to see happen. If, however, the Committee on Social Affairs, Employment and Education intended to say that in places where it was impossible to set up new programmes the extension of existing programmes should be subsidized as extra jobs will then be created in the framework of existing programmes, this is something I would not like to dismiss out of hand. If that is the meaning of the modification then I could agree with it. But the text as it stands here cannot be accepted by the Commission.

Mr President I believe I have fully explained the views of the Commission on these amendments.

President. — I call Mr Albers.

Mr Albers. — (*NL*) Mr President, the Commissioner was very clear but can he also explain to me why the calculation attached to the document is based on maximum payments since this is the point of our objection. It is all very well for the Commissioner to claim that my amendment is superfluous and that there is indeed a relationship between the actual wage costs and the extent of the wage costs, but the calculation in the document is based on a payment in every case of 60 or 30 units of account. There is something wrong there. In this connection I would also like to point to the amendment that I have put forward as an addition to the resolution, namely paragraph 9a, which clearly states that allowances should be related to the actual wages of young people, is intended to eliminate any misunderstanding.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (*NL*) Pardon me, Mr Albers, for having forgotten that point. It is indeed true that we have by and large taken the maximum amounts with a small corrective factor which you will of course have found in your figures. On the last page of our proposal it is stated that the support amounts are the maximum amounts; in view of the fact that a small number of support applications may relate to amounts which are under the maximum the total amount for support grants must be estimated at 5 to 7% lower. So we have taken account of this factor although Mr Albers may think that we have not taken sufficient account of it.

But, Mr President, it is very difficult to say whether Mr Albers is right or whether the Commission or I am right. I do not know how many projects are going to be submitted for young people of 16 years of age to

Vredeling

overstate the case for a moment. Let us assume — for the sake of argument — that all the projects were to affect 16-years-olds; in this case it would naturally be possible to do a lot more with our money since generally speaking the wages of a 16-year-old are not as high as those for a 25-year-old. But the fact remains that they are the wage costs even if only for 16-year-olds; in this case the addition contained in this amendment is not necessary at all since the amount would naturally be the wage for a 16-year-old in the various countries. And once again I would like to call on Mr Albers to withdraw his amendment since it adds nothing new; if he maintains it I shall have to advise against its acceptance.

President. — I note that no one else wishes to speak.

The vote on the motion for a resolution with the amendments that have been tabled to it will be taken at voting time this afternoon.

The debate is closed.

4. *Efficient air traffic control*

President. — The next item is the report (Doc. 49/78), by Mr Noè on behalf of the Committee on Regional Policy, Regional Planning and Transport on the promotion of efficient air traffic control.

I call Mr Noè.

Mr Noè, rapporteur. — (I) Mr President, the report on air traffic control, which I have the honour to present on behalf of the committee on Regional Policy, Regional Planning and Transport, was decided upon in October 1976 following the mid-air collision in the airspace over Zaghreb in which 176 people lost their lives. Shortly afterwards, while this report was being drawn up, there was an even more serious accident in Tenerife, in which 577 people died. In spite of the large number of people that lost their lives in these two accidents, I think it is only fair to reassure air travellers that the general level of safety in air transport has increased in recent years. However, our committee found that there are some sectors in which properly coordinated action could improve the level of safety even further.

This is the first debate we have had in the European Parliament on safety in air traffic, and it is important therefore to single out the sectors with which we are concerned. These may be broken down as follows: first of all there is the question of machinery and equipment, that is, the aircraft, the equipment on board, ground apparatus and equipment, then there is the human element, that is, the pilots and air traffic controllers and finally, there is the whole matter of the relationship between the science of meteorology and aviation, as the meteorological data are not always made available as they should be.

In order to give a brief but graphic illustration of these matters, I should like to say a few words on air traffic as it is organized nowadays. An aircraft in flight

is guided by radio beacons situated at a distance of approximately 150 to 200 kilometres from each other, which send out radio signals enabling the pilot to establish his exact position at any given moment on the basis of his distance from the beacon and the angle at which he is approaching it. In flight, therefore, the pilot is like a man driving along a street, in the sense that he can always determine his position exactly with the aid of the radio beacons that he meets one after another along his path. At high altitude, that is to say, when aircraft are not being controlled by radar, they are kept at a distance of 3 minutes flying time from each other, while the vertical distance between one flight level and another is kept at approximately 300 metres or 1 000 feet. This ensures that there can be no collisions between aircraft. On its approach to the airport, the aircraft is tracked and controlled on a main radar screen until it reaches a point 20 kilometres from the runway. In the last 20 kilometres, the ILS system, which consists essentially of a radio wave beam, takes over and guides the plane over the last stretch until it touches down. At present, the ILS system allows the pilot to land only when there is adequate visibility, for example, horizontal visibility of 400 metres; otherwise he would have to make an instrumental landing with zero visibility, something that is not for the moment practised by the airlines. Only the French *Aeropostale* operates in zero visibility. The aircraft operating this latter service are equipped not only with instruments to receive the ILS beams, but also with radar-operated high-precision altimeters which enable the pilot to gauge his distance from the ground with sufficient precision to allow him to land even when visibility is reduced to the minimum. This then is the general picture.

At some time in the future, it is hoped to pass from the ILS system, which is based on magnetic waves, to a microwave system, which permits a much more precise degree of collimation and would make blind landings possible. This system, however, is still at an experimental stage. On a more long-term basis there are plans to work out the position of all aircraft by satellite, independently of radar. It is obvious that these plans would not only improve the present system greatly, but would, in fact, make it completely out-dated, since the present radio beacon system operates only on dry land. When an aircraft is flying over the ocean or when it is more than 300 kilometres from the nearest coast, a radio beacon can no longer be of any use to it and a completely different system of flight control is called for. Jumbo jets, for example, and larger aircraft of recent construction have inertial gyroscopic systems which enable them to determine their position at all times, but in general there can be no doubt that on the less advanced continents and over the oceans, the determination of the positions of aircraft by satellite would bring into general use a system that at present obtains only in the more advanced areas of the world.

Noè

It will be obvious that the systems that I have briefly described come under pressure when air traffic becomes too congested. I mentioned the distance of three minutes flying time for aircraft at high altitude, but, when these aircraft are taken over by ground radar, the distance can be reduced to 1 minute, since an aircraft controlled by ground radar can fly much closer to another, as its position can always be corrected from the ground. Matters become more complicated in the landing stage by reason of the fact that the horizontal planes that determine the flight levels of which I spoke earlier, naturally become inclined planes in this phase. To give you an idea of the operative distance covered by ground radar, the radar screens at Rome airport, for example, take over aircraft coming from the North when they are over the island of Elba and aircraft coming from the South when they are over Sorrento.

The next problem is the problem of the people working in air control. This, I feel, is a very delicate problem, because, as you will all realize, it is far easier to do something about improving machinery and equipment than to do something about organizations in which people are working, where you often have situations which have evolved over a period of time and are difficult to change.

The problem of Eurocontrol must be mentioned in this connection. When it was established, there were high hopes that it would be the means of working out a single unified control of European airspace. However, in the light of the difficulties encountered in combining control of upper and lower airspace and civil and military air traffic, we in the committee are convinced, as is also Mr Osborn who dealt with one part of this report, that for the moment it would be more realistic to give Eurocontrol charge of certain research projects, the training of staff and, as we suggested in our document, a certain coordinating function as between the activities of the various Member States in this sector. Eurocontrol would thus have a technical consultancy role. In the motion for a resolution, we asked the President of the European Parliament — and Mr Osborn agreed with us on this — to organize a meeting at European level to study all these questions.

As far as meteorological factors are concerned, there is a general tendency to overlook them, particularly as a possible cause of accidents in the air. It is true that they are now less of a danger than they were at one time, but at the same time there can be no doubt that improvement must be made in detecting meteorological phenomena and passing on information about them to the people concerned. This is particularly true of the meteorological phenomenon called wind shear, which is much more dangerous for present-day aircraft than for those of a former time, in the sense

that modern aircraft are heavier and faster and therefore less manoeuvrable. The danger of wind shear is that when the plane is about to touch down on the runway at an altitude of between 120 metres and zero, it comes into an area in which there may be a sudden change in one component of the wind, so that the plane leaves its flight path and the pilot has no chance to regain it. Three serious accidents in the United States in recent years have been attributed to wind shear conditions. Studies must therefore be carried out on the question of how best to establish the existence of disturbed conditions of this kind which cannot be detected by normal radar systems, and we hope that this will soon be taken in hand. Wind shear conditions can be detected either by acoustic radar or by laser systems, which would enable the main airports to be aware of wind shear conditions even when the skies are clear and free of cloud.

We have also studied fog and storms, and in this connection it seems to us more important than ever before that the meteorological organizations and the organizations concerned with air traffic should work more closely together. I have spoken to many people about these matters, but I have never yet met anybody that was competent both in meteorology and in aeronautics, so that there is a gap here that must be bridged.

I should like to grave your indulgence for having asked for the floor during this very short morning sitting. I hope that for the future this Parliament will continue to make its own valuable contribution to more effective air traffic control and thus to greater air safety.

(Applause)

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

(The sitting was suspended at 1.05 p.m. and resumed at 3 p.m.)

IN THE CHAIR : MR LÜCKER

Vice-President

President. — The sitting is resumed.

5. Question Time

President. — The next item is Question Time.

We begin with Question No 1, by Mr Hoffmann¹:

At the European Council meeting in December 1977, Vice-President Ortoli proposed that the Commission should contract loans totalling 1 000 million EUA. The proposal envisages using this money simply for lump

¹ Converted from oral question without debate into question for Question Time.

President

sum investment projects which reflect the Community's structural policy priorities — above all as regards energy, industry and infrastructures — without making any further stipulations. However, particular support is to be given to projects whose scope or nature prevents them from being financed entirely by the Member States concerned, or by funds available to the organs or other institutions of the Community. The European Parliament is not involved in the procedure for contracting the loan nor in its allocation.

1. For which projects does the Commission intend to use the loans?
2. What steps will be taken to ensure, as early as possible in the initial stages, that the Commission's borrowing and lending policy and the projects it authorizes with these particular loans are in accordance with the decisions of the European Parliament and its relevant committees?
3. For which projects in the energy, industry and infrastructure policy sectors are the loans to be used?
4. How does the Commission intend to prevent the allocation of funds to projects which are unable to obtain credit either through the European Investment Bank or on the capital market?
5. How does it intend to prevent these funds being used to finance projects of doubtful economic efficiency which, according to the principles of a responsible budgetary and economic policy, should be financed not on the capital market but from tax proceeds?
6. How does it intend to prevent the proposed loans, on the one hand from placing too great a burden on the capital market and on the other, from limiting the scope for further borrowing to the detriment of the Community's policy in southern Europe?

Mr Vredeling, Vice-President of the Commission. — (NL) Mr Ortoli gave detailed answers to the questions on this subject at the last part-session. And Mr Brunner reported yesterday on the implementation of the resolution which Parliament adopted on the basis of Mr Spinelli's report on the amended proposal from the Commission to the Council. That is my answer to Mr Hoffmann's first four questions.

As for his fifth question, let me put it like this: I cannot imagine that we shall be financing low-yield projects. Article 5 of the proposal for a Council decision does indeed lay down that the Commission could give the European Investment Bank a general mandate on behalf of the Community to issue loans. The Investment Bank would consider loan requests in accordance with its usual criteria and the uniform procedures laid down by the Commission. Finally it would decide whether to make the loans, and if so, on what terms.

As for the sixth point, the Commission feels, in the light of its previous experience, that a total amount of one thousand million units of account, as time has shown, will not upset the capital market as a whole, given the volume of financial transactions carried out on the capital markets. And by the same token it is clear that this policy on the issuing of loans, which is, after all, limited in scale, is compatible with other Community policies.

Mr Hoffmann. — (D) I have heard that the views of Mr Ortoli — who is unfortunately not here today — do not coincide exactly with the position proposed by Parliament but are more in line with the Council's proposals. I should like to know whether my information is correct.

Mr Vredeling. — (NL) I cannot give an off-the-cuff answer to the non-specific question whether Mr Ortoli, and thus, of course, the Commission, supports the Council's views more than those of Parliament; unless you can be more specific and give me an example of what you mean I shall be hard put to give you a detailed answer.

Lord Bruce of Donington. — Is the Commissioner aware that the first part of his answer is thoroughly unsatisfactory? In point of fact, Mr Ortoli did not give the details that were requested in points 1 to 4 of Mr Hoffmann's question. Beyond making vague noises about the possibility of an investment in the Channel tunnel, no answer was given to point 1 of Mr Hoffmann's question, which asked for which projects the Commission intends to use the loans. Beyond going into his usual generalities, Mr Ortoli gave no indication. Furthermore, is the Commissioner aware that Mr Ortoli gave no information in regard to No 3 in Mr Hoffmann's question, which asks the specific question: for which projects in the energy, industry and infrastructure policy sectors are the loans to be used? Again, aside from making a few general remarks, no specific answer has been given to that question. Mr President, I put it to you that when honourable Members in this House ask specific questions on specific points they are entitled to specific answers or, alternatively, they are entitled to the straight answer, which is always acceptable in this House: 'I have no idea'.

President. — It is my impression that Mr Vredeling has given a clear answer to the question within the terms of reference of Question Time. The problem therefore is whether we can cope with a debate covering the whole scope of the various separate questions raised here within the framework of a Question Time like this.

I call Mr Vredeling.

Mr Vredeling. — (NL) Lord Bruce asks for a straight answer. I have no idea whether his information is correct or not.

Lord Bruce of Donington. — Exactly.

President. — Question No 2, by Mr Dankert¹:

The Republic of South Africa seems to be developing more and more into one of the most important producers of natural, non-enriched uranium. It is expected, for example, that the output of uranium oxide, which was still only 3 265 tonnes in 1976, will this year be 5 300 tonnes, reaching 8 500 tonnes in 1981².

By virtue of the situation on the world market where competing countries such as Australia and Canada are stipulating very stringent delivery conditions and limiting uranium production, South Africa is becoming the chief supplier of uranium.

1. Can the Commission state to what extent this means that the Community is dependent or will be dependent in the future for its supplies of nuclear energy sources on deliveries of uranium by South Africa?
2. In view of the undesirable nature of any kind of dependence on South Africa, is it prepared therefore to ensure that, in the longer term, there are alternatives to uranium deliveries by South Africa to the Community?

Mr Burke, Member of the Commission. — The figures quoted by the honourable Member demonstrate the extent to which South Africa ranks as a major world producer of uranium. According to the latest report of the NEA-IAEA (February 1978), South Africa has actually nearly 20 % of the world's reserves and at present holds second place among western producers. It should be considered, therefore, an important source of supply of uranium for users in the Community.

The volume of transactions between the users of the Community and the producers of third countries cannot be published for reasons of commercial secrecy. In the 1980's, the Community will be dependent on external supplies for approximately 80 % of its requirements in natural uranium. Conscious of the particular situation which could flow from an over-heavy dependence on any one supplier country, the Commission continues to be in favour of a policy of diversification for its uranium supplies. Taking account of the geographical distribution of this product, the Commission considers it imperative that no source whatever be disregarded.

Mr Dankert. — (NL) I gather from the Commission's answer that it will not give any information on how far the EEC is already dependent on supplies of natural uranium from South Africa for reasons of commercial secrecy. However, in view of the great political significance of the quite unilateral dependence which the Commission has just admitted, I should like to have a rough estimate of our dependence, especially since it appears — and this is therefore an additional factor — that as a result of recent American legislation on uranium supplies, especially enriched uranium, if Canadian and Australian supplies dry up — and we shall find access to these alternative sources more difficult because of the American restrictions — there is a real danger — and no one has denied this so far — that we shall become increasingly dependent on South Africa, a situation which I find politically most undesirable. So I think that the answer to this question has been much too vague, too.

Mr Burke. — The honourable Member is correct in his appreciation of the point I made about commercial secrecy. For clarity, the point I made was that for reasons of commercial secrecy, the volume of transactions between the users and the Community and producers of third countries cannot be published. I am aware of the point made in relation to the American situation and the Canadian and Australian positions, but I think I have answered the honourable Member in the reply as to the imperative necessity, given the geographical distribution of this product, that no source whatever be disregarded.

Mr Osborn. — How does the Commission, in view of the reply about South Africa, regard the Community's dependence on the Soviet Union for supplies of enriched uranium, bearing in mind the fact that there are limitations in Australia, Canada and elsewhere? Does the Commission regard supplies of nuclear fuel from the Soviet Union and the Republic of South Africa in more or less the same light?

Mr Burke. — As far as I am aware, both would be regarded as third countries in the context in which I have answered the question.

Mr Fellermaier. — (D) Mr Burke, we naturally understand that you are unable to tell us exactly how dependent we are on uranium supplies from South Africa during Question Time. So I would ask you whether the Commission would be prepared to inform Parliament of the extent of our dependence via a parliamentary body — the President of Parliament and the President of the Commission could jointly decide on which one — as an expression of the joint responsibility borne by Parliament and the Commission?

Mr Burke. — As the Commissioner responsible for relations with Parliament, I have already indicated on many occasions to the Bureau and to Parliament the Commission's desire to share, as far as possible, infor-

¹ Converted from oral question without debate into question for Question Time.

² The Economist, 25. 2. 1978, pp. 79, 80 and 83.

Burke

mation in regard to difficult matters. Mr Fellermaier will understand that this is not an area of which I am particularly responsible, and therefore I can give him no more satisfaction than to say that I will bring what he has just requested to the attention of the Commissioner responsible and to the Commission itself, and I will communicate with the honourable Member at a later stage.

Mr Scott-Hopkins. — Would the Commissioner bear in mind, following the question from Mr Fellermaier, that neither the Parliament nor the Commission are renowned for their confidentiality, and that in point of fact the information which might be given is of importance both to the Community and to our third-country partners? Would he also agree that it is important that our supplies should come from all third countries, regardless of their particular politics at the time? As my honourable friend Mr Osborn has said, we have received enriched uranium from Russia as well as receiving the raw materials from both Canada and from South Africa. Is it not important that this should continue, for the supply to the Community is of the utmost importance to our energy resources of the future?

Mr Burke. — I would agree with the honourable Member in regard to the latter part of his supplementary. I have stressed on two occasions now the importance of taking into account the geographical distribution of uranium; the Community would be well advised to have regard, now and in the future, to this geographical distribution, and I have put it on the record that the Commission considers it imperative that no source whatsoever be disregarded, now or in the future.

Mr Patijn. — (NL) Can the Commissioner state how far the new American legislation is at present affecting supplies to the Community?

Mr Burke. — I regret that I am personally unable to give the honourable Member that information. I shall see, though, that the information is conveyed to him.

I would like, Mr President, if I might, to tell the House that the Commission has begun, since 1976, with the aid of this Parliament, help towards prospecting for uranium on the territory of the Member States in application of the dispositions of Article 70 of the Treaty, and proposes to continue this action and to improve it wherever possible. Now in the same context it desires to create a favourable climate in relation to enterprises in other countries which might be of benefit to the overall needs of the Community. But in reply to Mr Patijn, I will have the information sent on to him at a later stage.

President. — Question No 3, by Sir Geoffrey de Freitas:

What further studies are planned into the consumption of energy required for moving heavy loads by canal compared with by rail or road?

Mr Burke, Member of the Commission. — During the 1973-74 oil-supply crisis, a programme of meetings was carried out with representatives of the several modes of transport over energy supplies and the best means of economizing their use. A comparative study was made at that time for the Commission by a Netherlands institute of the use of energy in different transport modes. Direct energy consumption by inland waterway transport was shown to be lower than by road or rail transport. However, comparisons between modes should be treated with some care because of the significance of load factors, the extent of coverage in services offered and energy costs arising outside the immediate transport operation itself. Relative impacts of energy costs have been affected by general inflation, and their incidence upon users is also influenced by taxation differences. Work aimed at optimal economy in the use of energy, both in vehicles themselves and in transport systems, has continued since with national experts in pursuit of the energy programme. A further study of ways to save energy in transport is being carried out for the Commission by a German institute.

Sir Geoffrey de Freitas. — Is the Commissioner aware that while many of us are very grateful that further studies are being made — and that, after all, is the sole point of my question — there are some countries, particularly the United Kingdom, in which the value of canal transport is hardly appreciated at all, and will he take it from at least one Member of the British Parliament here that we should press on with this study, which has a possibility of enormous benefit to our Community as a whole?

Mr Burke. — I should like to agree with the general thrust of the honourable Member's question in regard to the importance of this mode of transport. In regard to the United Kingdom example, while agreeing that it is important there, I would point out that the scale of operation in that Member State is not quite on the level of some of the other Member States of the Community, and I would like to help him to extent the drawing attention, as he has done, to it. As I have mentioned in the reply, there are a number of studies being carried out which show that inland navigation energy consumption in real terms was by and large 20-40 % lower than rail energy consumption, and up to 75 % lower than energy consumption by road transport. But, as I pointed out in my original reply, energy costs are not the only costs that matter, and other cost elements have to be taken into account as well.

Mr Osborn. — The Commissioner referred to the United Kingdom. May I draw his attention once again to the possibilities of the Sheffield and South Yorkshire navigation, which are being raised with the British Government? Could he indicate generally which industrial centres of the Community require improved communication by canal and to what extent industrial users are being consulted in this new enquiry which is being considered by the Commission?

Mr Burke. — I would draw the House's attention to the consultation procedure which was passed by the Council recently and which relates to matters of Community interest. In other cases I am sure the Commission would not wish to get involved in a matter which was more properly the concern of a Member State. However, the use of public fora such as this to draw attention to the importance of these projects is welcome, and I join with the honourable Member in drawing attention to the area mentioned by him.

Lord Bruce of Donington. — Is the Commissioner aware that the qualifications that he made to his low estimate of costs in relation to transport by waterway applies also to all other forms of transport and that of course there are other costs? In relation to road transport there are pollution costs, road mutilation—costs, and environmental costs of all kinds. While it is quite true, of course, there are other factors to be taken into account in regard to transport by water, will he give Parliament the assurance that in considering the whole question dispassionately he will leave out of account the most extensive representations that will be made to him against the use of water transport by the very powerful road transport lobby?

Mr Burke. — I can assure the honourable Member that the Commission will treat all representations dispassionately. The matters which I referred to arising from the reply were in relation to energy costs, and I did not go into any wider observations. I certainly take note of what the honourable Member says, but I would ask him to consider that the Commission will in fact deal evenhandedly with all these representations and is not prejudiced in favour of any particular one.

President. — Question No 4, by Lord Reay:

At what proportion of the meetings of COREPER in the last three years has the Commission been represented; by one or more Commissioners, and by officials, respectively? Is the Commission satisfied that it has adequate opportunities to put its views to COREPER on legislative proposals and on other matters?

Mr Burke, Member of the Commission. — The Commission is always represented at meetings of COREPER. The Commission is represented by senior

officials, although Members of the Commission sometimes participate in the discussions on main issues. The Commission is fully satisfied with the arrangements for participation by it in the meetings of COREPER, to whose work it attaches great importance.

Lord Reay. — Since the European Parliament itself has no direct contact with COREPER, and since COREPER takes very important decisions and perhaps the trend is for even more important decisions to be taken at the level of COREPER, it becomes a matter of importance for this Parliament that the Commission should be fully involved in the meetings held and the decisions taken at the level of COREPER.

The Commissioner indicated that the Commission was satisfied with the involvement which it now has in the meetings and decisions of COREPER. Could he give us some indication of the degree to which at those meetings the Commission representative urges the acceptance by COREPER of the opinions of this Parliament, whether or not the Commission itself agrees with that opinion?

Mr Burke. — I would point out that the opinions of Parliament are always sent to Council, and are taken into account at all levels of discussion. When the Commission can accept the amendments of Parliament, it sends to the Council a modified proposal incorporating Parliament's amendments according to Article 149(2) of the Treaty. When the Commission cannot accept the Parliament's amendments, it is always ready to discuss that amendment in the Council or at the lower level, and I can assure the honourable Members that in this way we do everything possible to explain Parliament's views in the appropriate instances.

President. — Question No 5, by Mrs Ewing:

Will the Commission give an assurance that when a network of sites as outlined by them for nuclear waste disposal are selected, the selection will take into account the wishes of the local inhabitants?

Mr Vredeling, Vice-President of the Commission. (NL) — The Commission would draw the honourable Member's attention to the fact that one of the six points on which the Community's plan of action in the field of radioactive waste is based specifically mentions periodically informing the public. The Commission is again emphasizing here — as it did during the recent public debate on nuclear energy — that it wishes to be as open as possible in an objective dialogue with those who are concerned by the spread of nuclear energy. The Commission would further draw the honourable Member's attention in particular to paragraph 5 of the Resolution which Parliament adopted on 17 March 1978 in which Parliament states in the public debate on nuclear energy, the Commu-

Vredeling

nity and the political forces should fulfil their political responsibilities by providing public opinion in the Member States with as much clear and objective information as possible, especially as regards problems associated with the completion of the nuclear fuel cycle. The Commission considers that Parliament is quite right to take this stand because decisions on nuclear projects must be taken in accordance with democratic procedures, in other words, the elected representatives of the people in the Member States and the European Parliament have an important part to play.

Mrs Ewing. — Is the Commissioner aware that mention has been made of the suitability of sites where there are considerable granite deposits, and that of course Scotland is well endowed in granite deposits, as it is in many other natural features, and that there is a feeling of alarm in Scotland, as expressed in the south-west of Scotland at this minute, that we might be the target for some kind of nuclear-dustbin arrangement, and would he say whether it would not therefore be wise at this stage to agree that each Member State should accept, as a moral responsibility, the disposal of its own waste?

Mr Vredeling. — *(NL)* The tenor of the question prompts me to reply that in a Community such as Euratom, for example, it would be very difficult to compel each Member State to be responsible for the disposal of its own nuclear waste. That is not always possible because there are Community institutions established in a particular Member State which do not belong to that Member State, and the honourable lady offers no solution to that problem.

Mr Normanton. — Will the Commissioner not agree that of all the known sources of energy which are currently in use, there is none which has proved safer to the community in general than nuclear energy, especially when you compare it with the high cost to human life entailed by oil-drilling, hydro-electric construction and other forms of energy?

Would he not also agree that it is the rôle of this House, of the Commission and of Members of Parliaments of all Member States in general, to inform and enlighten their people and to give a definite, precise and unemotional lead on this particular important issue?

Mr Vredeling. — *(NL)* The original question referred to the radioactive waste resulting from the generation of nuclear energy. The honourable Member is now trying to make me say on behalf of the Commission that no method of generating energy is safer than nuclear energy. But I would point out that specifically in the case of nuclear energy, the problem of waste products has not yet been solved.

Mrs Kellett-Bowman. — Would the Commission not agree that it is technically safer and economically more efficient to concentrate both re-processing of radioactive waste and waste disposal in a few well guarded and operated sites, rather than to scatter them among a number of sites, as the honourable lady has suggested, which spreads too thinly the available highly trained technologists and increases the security risk?

Mr Vredeling. — *(NL)* I would agree with the honourable Member's opinion, especially if the processing plants she referred to were placed under international supervision.

Mr Edwards. — Does the Commissioner not agree that following the acceptance by this House of the Flämig report, which dealt with the handling of nuclear waste, the recommendation was that this was a Community problem which should be dealt with on a Community basis, rather than by individual nations. Does not the Commissioner agree that that report, carried by this House, is still the policy of the Commission?

Mr Vredeling. — *(NL)* I can give an unqualified 'yes' to the honourable Member's question if not to Mrs Ewing.

Lord Bessborough. — Would the Commission continue to inform the citizens of the Community of the steps being taken to perfect the safe disposal and storage of radioactive waste? As the Commissioner knows, a great deal of progress has been made in this field, and I hope that the Commission, like this Parliament, will give it as much publicity as possible.

Mr Vredeling. — *(NL)* Of course, as methods for storing radioactive waste improve, the Commission will gladly accept responsibility for disseminating the know-how and expertise to the Member States — the Commission has its own responsibility in that area.

President. — Question No 6, by Mr Cousté :

Does the Commission not regard the continuing disparities in summer time as regrettable; does it not feel that the Community's image is tarnished as a result, and that all possible efforts should be made to remedy this situation in the future?

Mr Burke, Member of the Commission. — The Commission entirely agrees that existing summer time arrangements in the Community are confusing and inconvenient for travellers, transport operators and anyone else involved in cross-frontier communications. The Commission proposed to the Council more than two years ago the introduction of a single summer time period in the Community, which in the case of 1979 would run from 1 April to 14 October. Certain Member States have not yet been able to accept this proposal, but the Commission is contin-

Burke

uing to press for its adoption. The Commission is grateful to the Parliament for its support in this matter, which is one where it is certainly difficult for the public to understand failure to reach a Community solution.

Mr Cousté. — (*F*) Next year will see the holding of direct elections to the European Parliament, and I must say that it would be a great pity if polling hours varied from country to country if only for this reason, let alone all the technical reasons. That is why, although the adoption of the common period mentioned by the Commissioner — 1 April-14 October — would indeed be a step in the right direction, I should like to know if we shall all be in a single time zone in the Community of the Nine. The question remains, and I repeat it because it is not sufficient to adopt a common summer time period; we must have a single Community-wide time zone.

Mr Burke. — On the times at which voters would vote in the direct elections, I would point out my personal understanding that even the days on which elections will be held may differ from country to country. That being said, however, I think I could accept the general thrust of the honourable Member's supplementary question, in pointing out the desirability of harmonizing to a greater extent than we have at present the differing summer times in our Member States. In fact, in some of our Member States summer time does not exist.

In order to clear up possible confusion, I would point out that what is not intended here is the creation of a single time zone. This European Community is too wide: it is two hours wide between the eastern and western zones. It would therefore be unreasonable to request Britain and Ireland to be in the same time zone as the continental Member States. But this has nothing to do with summer time. The summer time question refers to the harmonization on particular suggested dates of the times in Member States which could be Greenwich Mean Time plus one or Greenwich Mean Time plus two, as the case might suit. What we are trying to do is not to have a Community-wide time zone but to harmonize the dates on which summer time would begin and end in our Member States.

Mr Scott-Hopkins. — Would not the Commissioner accept that the situation is really chaotic. Although he says he does not want to have one time zone, is it not absolutely ridiculous that you should have Greenwich Mean Time in one country, Greenwich Mean Time plus one, and then plus two in another country, and that you are changing your times moving from country to country? Cannot the Commission take some steps to achieve harmonization, not only as regards the date when these various ludicrous and idiotic changes are made, but so that

the business side of the Community really can work as a Community without this disparity of times?

Mr Burke. — I can accept that it is desirable to harmonize at least the dates of beginning and ending summer time, but for reasons which I have already explained, I do not think — and the Commission does not think — that it is desirable at this stage to suggest a single time zone for the whole Community. It is quite obvious that there is a wide time difference between the eastern part of the Federal Republic of Germany, not to mention Trieste, and, say, the west of Ireland and therefore we do not foresee any change in this. However I would like to tell the House that I have tried very hard in Council and in the various instances to get some movement on this matter within the limits of the context I have described.

Lord Bessborough. — Does the Commissioner think it very logical that France and Benelux should be ahead of Germany, when Germany is behind us and to the east? Secondly, could the Commissioner say what would be the estimated energy savings or losses in placing the Community in a single time zone throughout the year?

Mr Bruke. — In reply to the second part of the supplementary the Honourable Member will realize that I could not possibly give such an estimate at this time. In regard to the other matter he raised, one of the solutions would be to get the Federal Republic of Germany and indeed Denmark to adopt summer time in the first place. But the House will realize that there are difficulties for the Federal Republic of Germany in doing this, and these difficulties have to be faced and solved if we are going to find a solution to the problem.

Mr Howell. — Mr President, might I ask the Commissioner to stop waffling around this subject? Might I suggest that the Commission spend less time in harmonizing things such as mayonnaise, and more time on harmonizing time, which is a very obvious candidate for harmonization?

(Laughter)

Mr Burke. — The Honourable Member will realize that coming from the nationality I do, I do not waste my time in waffling either in this house or outside it.

(Laughter)

Secondly, could I point out that the proposals we have put before the Council are concrete proposals which he will appreciate are reasonable, concrete and constructive. Our problem is to get the Council to agree to them. No waffling, Sir!

(Laughter)

President. — The first part of Question Time is now closed.

I call Mr Fellermaier on a point of order.

Mr Fellermaier. — (D) Mr President, on behalf of my group and in accordance with Rule 47 of the Rules of Procedure I wish to call for a topical debate. We consider the Commission's answer to Mr Dankert's question on uranium exports from South Africa to the Community to be unsatisfactory. In particular, we feel that on the two days in the month when Question Time is held, we are entitled to expect the Members of the Commission responsible for answering the questions tabled by Members of the European Parliament to be present so that Commissioner Burke, whose willingness I do not doubt, does not have to deputize for all his colleagues and appear as a kind of Lord High Everything Else to answer questions on economic and monetary affairs, energy, foreign policy, information and transport.

That is no way to treat this European Parliament. We are entitled to expect those Members of the Commission with expert responsibilities to be present and answer our questions.

(Applause)

If on a Tuesday, Question Time begins with the Commission carrying a bran tub full of prefabricated answers into the Assembly, then there can be no real dialogue between Members who, for political reasons, wish to put technically justified questions and the Commissioners responsible. That is the second reason, Mr President, why my group is calling for a topical debate on Mr Dankert's question.

(Applause from the left)

President. — I accede to this request and propose that we take the topical debate after the votes.

Are there any objections?

That is agreed.

The first part of Question Time is closed.

6. Tribute

President. — Ladies and gentlemen, I have just this moment received the horrifying news that Aldo Moro has today been killed. This ends for the time being a tragedy which has held not only us but the whole world in suspense for almost two months. This is not the time to speak of the motives involved in this tragedy or of the course it has taken. For now I should merely like to offer our sincere sympathy to the Moro family, to the Italian people, to the Italian government and also to Aldo Moro's party, the Democrazia Cristiana, to the service of which, in prominent positions, he devoted a lifetime of effort, and in particular to express our profound grief to the Moro family and to the Italian people.

Aldo Moro was one of the most respected politicians in his country. For almost thirty years he strove tirelessly and selflessly for peace in the service of his

people, in the service of his country but not least in the service of Europe and of understanding between peoples. He was one of the best known politicians in his country. His words were treated with respect throughout the world, and from them we know that all his efforts were dedicated to reconciliation within society and to reconciliation between peoples. He has set us all a brilliant example. Our pain and our grief in this hour are all the greater.

We shall stand in memory of him.

(The Members observed a minute's silence)

The sitting is suspended for ten minutes.

(The sitting was suspended at 3.50 p.m. and resumed at 4.05 p.m.)

President. — The sitting is resumed.

7. Votes

President. — The next item is votes on motions for resolutions on which the debate has closed.

I shall first put to the vote the motion for a resolution contained in the report (Doc. 577/77) by Mr Normanton: Community oil supply and processing policy.

The resolution is adopted.

We now come to the report (Doc. 16/78) by Mr Normanton: Community oil stocks and storage policy.

I put the preamble and paragraphs 1 to 7 to the vote. The preamble and paragraphs 1 to 7 are adopted.

On paragraph 8, I have Amendment No 1, tabled by Mr Guerlin, on behalf of the Socialist Group, calling for the deletion of the following words:

Though they may have a bearing on consumer prices.

What is the opinion of the rapporteur?

Mr Normanton, rapporteur. — Mr President, before I give my recommendation to the House, may I express my gratitude to Frau Walz for having presented this report to the House yesterday for me since I had to be in London. I recommend that this House reject amendment No 1.

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

I put paragraph 8 to the vote.

Paragraph 8 is adopted.

I put paragraphs 9 to 12 to the vote.

Paragraphs 9 to 12 are adopted.

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

The resolution is adopted.¹

¹ OJ C 131 of 5. 6. 1978.

President

We now come to the report (Doc. 90/78) by Mrs Walz: *Regulation on hydro-carbon exploration*.

I put the preamble and paragraphs 1 to 9 to the vote.

The preamble and paragraphs 1 to 9 are adopted.

After paragraph 9, I have amendment No 1, tabled by Mrs Walz, calling for the insertion of a new paragraph:

9a. Asks for the conciliation procedure to be opened should the Council intend to depart from this opinion.

I call Mrs Walz.

Mrs Walz, rapporteur. — (D) This really only supplements the explanations I gave in my presentation. Otherwise it would be possible for the Council to ignore our request if the conciliation procedure were not provided for. And that is what we agreed with the Committee on Budgets.

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

Amendment No 1 is adopted.

I put to the vote the motion for a resolution as a whole, incorporating the amendment that has been adopted.

The resolution is adopted.¹

We now come to the report (Doc. 336/77) by Mr Hamilton:

Petition on enquiries into the political affiliations of Commission officials.

I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

After paragraph 1, I have Amendment No 1, tabled by Mr Lagorce, calling for the insertion of the following paragraph after paragraph 1:

1a. Condemns the practice of enquiring into the opinions of certain officials and staff of the European Communities.

What is the opinion of the rapporteur?

Mr Luster, deputy rapporteur. — (D) Mr President, this amendment, and the next two, were considered by the committee responsible and rejected by a large majority. I recommend that this House reject this and the next two amendments.

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

Amendment No 1 is rejected.

On paragraphs 2, 3, 4 and 5 I have Amendment No 3/rev., tabled by Mr Bordu, calling for the deletion of these paragraphs and their replacement by the following paragraph 2 (new):

2. Requests that files that infringe the Staff Regulations of Community officials be immediately destroyed and that, in accordance with the Staff Regulations, there be only one purely career file for each member of staff, that contains no reference to his political, philosophical or religious views, and that may be consulted by him at all times.

After paragraph 4, I have Amendment No 2/rev., tabled by Mr Lagorce, calling for the insertion of a new paragraph 4a:

4a. Requests that the officials and staff of the Communities should have access to all documents in their personal files and all other documents concerning them.

I put Amendment No 3/rev. to the vote.

Amendment No 3/rev. is rejected.

I put paragraphs 2, 3 and 4 to the vote.

Paragraphs 2, 3 and 4 are adopted.

I put Amendment No 2/rev. to the vote.

Amendment No 2/rev. is rejected.

I put paragraphs 5 and 6 to the vote.

Paragraphs 5 and 6 are adopted.

I call Mr Lemoine for an explanation of vote.

Mr Lemoine. — (F) Mr President, we wish to reconcile words and deeds in the field of human rights.

I believe that the only solution was to call for the immediate withdrawal of these security questionnaires. No one, either within these four walls or in the Commission, has been able to explain to my satisfaction just how these questionnaires would guarantee the loyalty of the officials involved. Since the Assembly has unfortunately rejected my friend Gérard Bordu's amendment and thereby refused to adopt this reasonable position, the French Communists must vote against the motion for a resolution before us which calls for the harmonization of the questionnaires and thus justifies their retention in contempt of what we consider to be the most fundamental aspect of human rights.

Mr Damseaux. — (F) In Moscow they don't have questionnaires!

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

The resolution is adopted.¹

We now come to the report (Doc. 88/78) by Mr Lezzi: *Employment difficulties*: Before we vote on the actual motion for a resolution, we must vote on Amendment No 1 by Mr Albers to the proposal for a regulation, calling for the amendment of the two indents in Article 1 to read as follows:

— expenditure incurred in granting recruitment premiums; aid from the Fund shall be calculated on the basis of an allowance *directly related to actual*

¹ OJ C 131 of 5. 6. 1978.

President

wages and not exceeding the sum of 30 European units of account per person, per week, for a maximum of 6 months;

- expenditure incurred in financing programmes to recruit young persons for newly created jobs relating to activities or services in the public interest; assistance from the Fund shall be calculated on the basis of an allowance *directly related to actual wages* and not exceeding the sum of 60 European units of account per person, per week, for a maximum of 12 months.

I call Mr Albers.

Mr Albers. — (NL) In the light of what the Commissioner has just said I withdraw my amendment.

President. — We now come to the actual motion for a resolution.

I put the preamble and paragraphs 1 to 9 to the vote.

The preamble and paragraphs 1 to 9 are adopted.

After paragraph 9, I have Amendment No 2, tabled by Mr Albers, calling for the following new paragraph to be inserted after paragraph 9:

- 9a. Allowances should be related to the actual wages of young people.

What is the opinion of the rapporteur?

Mr Lezzi, rapporteur. — (I) I regret that I cannot support this amendment.

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

I put paragraphs 10 to 15 to the vote.

Paragraphs 10 to 15 are adopted.

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

The resolution is adopted.¹

8. A debate following Question Time: *export of uranium from South Africa to the European Community*

President. — The next item is the topical debate on the export of uranium from South Africa. I call Mr Dankert to speak on behalf of the Socialist Group.

Mr Dankert. — (NL) Mr President, the chairman of my group has already referred to our dissatisfaction with the answers given on behalf of the Commission to the questions I tabled on our dependence on uranium from South Africa. And there are two reasons for our dissatisfaction. Firstly, the Commission had a perfect opportunity to discuss our dependence on uranium supplies in somewhat more detail than I myself might have imagined when I tabled my questions several months ago. In the last few weeks we have witnessed the Commissioner responsible for energy making a number of statements to the press,

including one on the notorious subject of the standstill in supplies from the United States to certain institutions, although in that case it was principally enriched uranium which was involved.

But apart from that there is the other matter, the political aspect of our dependence on South Africa. The week, after the South African invasion of Angola, we have seen the United Nations coming more and more to the view that that country must be forced to respect the rules of international law, and that economic measures might have to be considered. Although Mr Burke restricted his answer to generalities as to the present extent of dependence on South Africa and future trends in this area, that dependence, combined with the increasing difficulty which the Community is experiencing in obtaining uranium for our energy supplies and scientific purposes from the Canadians, the Australians and the Americans, in any case justified our request for greater clarity in this matter.

Because what does it mean, or where does it leave us, if the Commission tells Parliament that for reasons of commercial secrecy it is unable to give exact figures showing Europe's dependence, the Community's dependence, on supplies of uranium from South Africa?

I cannot understand what the commercial secret may be. I can understand that the Commission is not prepared to say that a particular plant obtains a certain amount of uranium from one country and another amount from another. But I cannot understand — although I am grateful for the assurance given to Mr Patijn and my chairman that attempts will be made to provide the Committee on Energy and Research with the necessary data — why the Commission feels that it cannot state publicly the extent of our present dependence on uranium from South Africa. Maintaining secrecy, this argument about 'commercial secrecy', might well give the public the impression that our present dependence is perhaps much greater than it actually is. And it is for this reason that I consider it most important that we should have more facts than Mr Burke was able to give us earlier. It is all the more important since the Commissioner said very clearly that at present South Africa is the West's second largest producer, which means that South Africa must have a considerable share in our supplies. He did not say whether it would be desirable to reduce our dependence. The only statement made by the Commission is that it is in favour of diversification, of as wide a geographical spread as possible. But nothing has been said about how this is to be achieved, which countries will be approached or whether the Commission is prepared, for example, to accept the conditions imposed by America for the supply of uranium.

This vagueness is everywhere. It seems to me that this Parliament devotes more time to less important matters than to this subject which is of great importance for Europe's commercial freedom and will continue to be so. That is the basis for my view that this debate should not close with these few questions

¹ OJ C 131 of 5. 6. 1978.

Dankert

but that Parliament will have to return to this topic and look in great detail at the whole problem of dependence for our energy supplies, for scientific purposes, of the total dependence on uranium supplies at the root of Europe's problem to which my questions related.

Mr President, no real answer has been given to the other question about the alternatives and long-term possibilities which the Commission envisages. I should be grateful for some clarification on this matter because if we have no information on other possibilities then we cannot suggest the policy Europe should pursue in order to secure energy supplies in such a way that our existing dependence on energy supplies is acceptable.

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

Mr Normanton. — Mr President, if we remind ourselves, as we have been reminded on many occasions by members of the Committee on Energy, and more particularly by the Chairman of our Committee on Energy, of the fact that no energy is more costly, in every sense of that word, than that which is not available when and where you need it — if we remember this powerful truism, then I think this is the attitude and state of mind in which we ought to be considering this particular debate this afternoon. Europe and the industrialized parts of the world have learnt with bitter experience the lesson of our dependence — indeed our total dependence — upon imported energy from the oil crisis. I only wish we could be assured that we shall not live to suffer the same experience again, and yet all the evidence which I am able to draw upon, whether from inside the Community or outside, leads me quite firmly to believe that we are heading for an experience similar, and equally damaging, to that which we have faced since September 1973.

Next time, though, it will be uranium which will be the Achilles heel as far as European energy is concerned, added to and compounded by our continuing shortage of, and dependence on oil. It is for the same reason as for oil. It is our dependence on imported ore and even processed and enriched uranium. We are, as far as uranium is concerned, even more dependent on this than on the imported oil which is causing such chronic and disastrous results for our economies: creating unemployment, economic difficulties and additional, equally damaging financial problems. This is because the sources from which uranium comes at the moment all basically have one thing in common. The United States, Canada, the USSR, Australia, South Africa — all five have one common characteristic, in that we, the Community, have no economic or political control over the decisions which are to be taken as to whether those supplies shall be available or upon what terms. Therefore I would make the very strong point, on behalf of the European Conservative Group, that

until or unless the Community finds uranium ore in its own territories, or in territories over which it has realistically effective control, and until the European Community has, within those territories, adequate capacity for the enrichment and processing of uranium, we will continue to be exposed to the danger to which I have referred. This imposes upon this House, certainly also the Commission, and I think the Council of Ministers as well, the need to be realistic and recognize that we cannot act in a cavalier manner in the world and ignore the dependence for supplies of uranium on those five sources which I have named.

One of them is South Africa. I read into the Dankert question basically a criticism of South Africa for reasons totally unrelated to uranium or energy: in other words, a criticism of other policies of the South African Government. But can Mr Dankert, and can his supporters in this House, stand up with their hands on their heart and say that the USSR is lily-white by comparison with South Africa? They are both countries whose basic philosophies are diametrically opposed to those who sit in this House. In other words, they are both undoubtedly highly unpredictable. They are extremely vulnerable sources, and yet we have to recognize we are dependent upon them. I also read into Mr Dankert's question the suggestion that South Africa will be irresponsible in making available its supplies of uranium around the world. The House knows that South Africa is still heavily dependent upon the technology of western Europe and the United States, and it is in this area that I think we have got to recognize that there is to some degree a political interdependence between South Africa and the European Community and the United States although of course it is not, and I have little doubt that it never will be, enshrined in any agreement comparable to that which the United States and Canada have imposed upon the energy-consuming Western European states. We should consider the situation in the USSR, which is the only other source from which South Africa is or will be able to draw on higher technology for the exploitation and further processing of her uranium.

I have little or no doubt that the safety of our continued future supplies of uranium lies in drawing from every source in the world which is prepared to supply us. If we are going to take a stance — and this is certainly implied in Mr Dankert's question, which expects us to say: 'Hands off, we will not touch uranium from South Africa, it is contaminated' — let us be realistic about the fact that there is no difference between contamination by South Africa and the political contamination and unreliability of the Soviet source of uranium.

As far as I am concerned, and as far as the European Conservative Group is concerned, we see that the only prospect for an assured continued supply of energy when we want it, and in the quantities in which we will increasingly need to have it, lies in drawing on all sources of that commodity and indeed in exercising

Normanton

responsibility ourselves in the way in which we use it. I think we have no moral grounds and no political justification for intervening in the internal affairs of South Africa or in the internal affairs of the Soviet Union if, by doing so, we are going to precipitate an experience equally damaging to that which we faced in, and after, 1973.

President. — I call Mr Osborn.

Mr Osborn. — Mr President, I would like to support Mr Normanton, because we are dealing with a question arising out of the export of uranium from South Africa to the European Community, and I am not quite certain whether we are having another debate on South Africa or we are really dealing with the question of secure supplies and the availability of uranium and other raw materials essential for the survival of the Community. The decision of the Socialist Group to ask for a debate on this rather suddenly is their decision. They have the right to do so, but I would have appreciated having more time to contemplate exactly what the purpose of this question and the debate is.

Now, the hard fact, as I understand it, is that uranium ore supplies to the European Economic Community come primarily from the United States of America, Canada, the Central African Republic and the Republic of South Africa. Our knowledge of the extent to which they come from the latter two rather depends on the information we are given and, as the Commissioner implied in his answer to the question, much of this information is deliberately not published.

Then we have the problem of enrichment facilities and enrichment supplies, and I think I am right in saying that, between them, the United States of America and the Soviet Union account for 99 % of the enriched fuels imported (perhaps the Commissioner can confirm or dispute some answers we have already received) and that consequently supplies from URENCO and Eurodif amount to 1 % of our requirements.

Now, the purchase of uranium, whether it is from Central Africa or the Republic of South Africa, is obviously an important source of income to these countries: it helps their balance of payments and therefore, indirectly to these countries, is a generator of employment; consequently, those who wish to improve living standards amongst, perhaps, the Bantu or black Africans in Southern Africa should encourage purchases from this area of what is essential for our survival.

Now freedom of movement, so far as we are concerned in the Community. Those who are concerned with it should first consider the dependence on US and Canadian supplies. I am afraid I cannot speak with any first-hand experience, although we have had papers arising from meetings, particularly in the United States of America, of the appropriate

committees from this Parliament, and the Commission has a regular dialogue with the United States of America on the very delicate question of supplies from that part of the world. But this brings us into the field of proliferation, non-proliferation and the type of agreements we have to prevent other countries from using the enriched fuels arising from this for, perhaps, hostile or nuclear purposes. My colleague Mr Normanton has quite rightly posed the question which is the more desirable and which is the more dangerous source of supply for uranium. If we are dependent to too great an extent on Canada and the United States of America and on arrangements with them, we could bring into consideration the fact that there are vast reserves also in Australia, and therefore I do not quite know what the purpose of this question is, whether it is to embarrass other political parties or to embarrass the Commission, but we obviously want to have reliable and free sources of supply from as many areas as possible. On the political side, speaking from my own experience — I have been an officer of the British-Soviet Group and know the Soviet Union and I have been a member of the British-South African Group in the British Parliament — as much as I disagree with certain aspects of the Soviet way of life so I disagree with the South African system and their application of *apartheid*. But beggars cannot be choosers and — as I shall mention in the steel debate later on, this time last week I attended the annual meeting of the Metals Society of Great Britain — Europe is devoid of most essential materials for our survival and our way of life; too many politicians, particularly in this hemicycle, are blind and unaware of the extent to which vital resources for our high standard of living are dependent on supplies from countries throughout the world, whether Southern Africa, South America or our friends Canada and the United States, and if we want an energy programme that remains effective as the OPEC countries either run out of supplies or put pressure on us, then it is important that we do not deny ourselves every source of energy we may need. Going back to the subject of Southern Africa, it may be that uranium is in abundance in Southern Africa, but so are chromium, vanadium, manganese and other materials for the modern technologies without which the very fact that we are here today, having been in our homes and constituencies this week-end and some of us in our parliaments yesterday, would have been impossible. Therefore, I think an awareness of the degree to which Europe and the Community are lacking in raw materials should be much more widespread.

I only intervene because this subject has come before us rather suddenly and I would like to know, as much as what is behind the question, how the Commission is going to answer it constructively and effectively.

President. — I call Mrs Walz.

Mrs Walz. — (D) Mr President, the question that has been tabled by the Socialist Group does not perhaps quite hit the nail on the head. What is the situation we are facing? On the one hand, we must as a matter of the utmost urgency reduce our dependence on oil because we know that apart from coal the resources of fossil energy are running out. As a substitute we have nuclear energy, for which uranium is required. We can only reduce our dependence on oil by turning to nuclear energy because it will take some considerable time for the other substitute energies to be developed.

If, then, we do not want to be subject to political blackmail as regards oil — and this is, of course, always possible when it is remembered who supplies the oil — we must develop a nuclear industry, and that means we need uranium. It has become extremely difficult for us to obtain this uranium because the American Congress has passed a new act in which it calls for the termination of the non-proliferation treaty and for a direct say in the use to which any enriched uranium supplied by the Americans is put in any sensitive plants. Australia and Canada can be expected to follow suit, and as you know, we, and the Commission in particular, have been set a time-limit for negotiations with the Americans, although the Community Treaties were concluded for the period up to 1995. The American Congress is being very one-sided in this, and the American politicians I met in Taormina were very surprised that we Europeans, or rather the parties represented there, should unanimously reject the American policy in this form, although we are all aware that its aim, non-proliferation, is fully welcomed by us all. But we were against international treaties being terminated unilaterally, and some governments might not have sighed the non-proliferation treaty if it had not contrined an express assurance of the peaceful use of nuclear energy. The peaceful use of nuclear energy is, however, now in danger as a result of the new supply conditions, because whole European industries may well see themselves isolated or subject to controls whenever they take a decision. That is one side of the uranium problem, and I expect that the United States, Canada and Australia will be coordinating their policies very closely.

The other side is that we obtain enriched uranium from the Soviet Union and from South Africa, and we must ask whether the Americans did not realize that if they are willing to supply over under these conditions, their customers might look around for other suppliers, wherever they might be. That is the major problem, and it will be the subject of international negotiations, as you know.

(Interjection)

But now you want us to block a further source of uranium by saying that in no event will we take uranium from South Africa, even though we can get it

from the other countries only with the utmost difficulty. As you know, in the Netherlands, in Petten, there have been no further supplies of uranium because it is said that the safety provisions there are not adequate.

If, then, we are convinced, and my committee is generally agreed on this, that we cannot avoid nuclear energy if in time we want to replace oil, then we need uranium. So I would ask you, where are we going to get it? Do you only want to get it from the Soviet Union or where do you want to get it from? The two countries should after all be seen in a very similar context, and I would advise you in particular, Mr Fellermaier, to ask your own government what it intends to do to obtain the uranium we need. You know that we in Germany have just received a delivery of highly enriched uranium, but how much longer we can go on doing this, no one knows. We might just as well drop our whole nuclear energy programme, which is supposed to make us independent of oil, if we cannot get the necessary uranium.

This must be remembered, however objectionable South Africa's apartheid policy may be, and I think I can assume that we all reject this policy, just as we reject certain policies in the Soviet Union — and I assume that almost all of us do reject them — but we must then ask ourselves, where are we going to get the uranium? I should like to have an answer from those who called for this topical debate. Where are we going to get the uranium that we as industrial countries simply need if in time we intend to make ourselves independent of oil, realizing that all the other substitute energies, solar energy or whatever, cannot be used before the year 2 000 and even then solar energy will not meet more than about 3 % of requirements? Your answer will be: more coal. That is right, of course, but coal cannot replace everything. As you know, the public is very much against coal-fired power stations and in my view they have just as much right to be against coal as against nuclear energy because of the environmental pollution involved. But if that is the only alternative and you also realize that in Europe at least the coal resources must be tapped with new methods, then it is quite obvious that this is not the solution. I should like to hear from you what in fact is the solution that you are recommending to us.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) This is a strange about-face. Through its spokesman, Mr Dankert, the Socialist Group quite simply put a question to the Commission, since it is the executive, and received — that at least is our subjective opinion — answers which are not satisfactory. And now in this topical debate other Members are putting more questions to Mr Dankert than to the Commission.

Fellermaier

May I perhaps attempt to interpret what Mr Dankert was getting at. He was not, Mrs Walz, trying to block further sources; he was not trying to stop supplies of uranium from South Africa. This is not implied in the question, and there was no suggestion of it in the supplementary, oral questions. No, our concern is that in the situation into which we have been forced principally as a result of the unyielding position adopted by the American President we might reduce our dependence in one respect and by becoming dependent in another. That is the crux of the question and that is what Mr Dankert was aiming at when he asked what alternatives the Commission had. I would repeat, Mr Burke, answering such a question may, of course, be asking too much of you, but if a Member of Parliament tables such questions in writing and in good time and if it is known when Question Time is, and when it is realized with what knowledge of the facts the members of the Commission's Energy Committee have made valuable suggestions in debates on energy, then the Commission must be prepared for a debate on a question like that tabled by Mr Dankert, and we want to see the Commissioner responsible for energy questions in this Chamber. I must repeat, Mr Burke, that it was this above all that led us to request a topical debate. What good is there in the President of the Commission saying — and I can still hear him saying it — that this Parliament would be treated as if it were directly elected? That is what Mr Jenkins said in his inaugural speech.

I would ask you, Mr President, must not so formal a promise be measured against the Commission's attitude towards Parliament in practice? We have every sympathy when one or other Commissioner cannot attend a committee meeting from time to time because of pressure of business. But we are no longer prepared to put up with the Commission's benches being more or less deserted during two Question Times a month. I therefore wish to inform Mr Burke that the Socialist Group intends to request a topical debate at each part-session as long as the Commission fails to ensure that the Commissioner responsible for the matter in hand is present during Question Time. Appearing before the press in Brussels, to make statements on international questions, as has happened on several occasions in the last few weeks in connection with the nuclear business, is no substitute. In contrast, the Commission was not prepared to discuss this question in Parliament. That, Mrs Walz, and I say this to you as Chairman of Committee on Energy and Research, that was what led us to request this topical debate.

I would be grateful to you, Mr Burke, if you could explain to this House why the Commissioners responsible for the matters raised in Question Time today could not be present. We expect you to give an answer to this question. I believe that is our due. Just

think, ladies and gentlemen, what would happen if in a national parliament a government dared to instruct a state secretary to answer during Question Time questions on agriculture, transport, information, social affairs, nuclear energy and external trade. I hardly dare think what Commissioners who were once Members of Parliament would have done in such a situation in their national parliaments.

I would therefore plead with those who have moved from the Members' benches to the Commission's benches to do everything in their power to put what their own President said into practice and treat this Parliament 'as if it were directly elected'.

(Applause)

President. — I call Mr Fuchs.

Mr Fuchs. — *(D)* With remarkable artistry of interpretation Mr Fellermaier has brought back on course a question that had wandered away from the point somewhat by giving as the reason for this topical debate the absence of the Commissioner responsible and by announcing that a topical debate would in future be requested whenever this happened. The only thing is, Mr Fellermaier, is that this is not, of course, in any way what the topical debate is intended for. Its purpose is quite different. If we also want to have the Commissioner responsible here, this Parliament has completely different ways of going about it. It can, for example, table a motion and adopt a general resolution put down, if you like, by all the political groups in this House. But what you are suggesting is not, I feel, a good thing for the topical debate, which is a necessary institution.

I should also like to add that this question suffers from the fact that it refers only to dependence on uranium supplies from South Africa, because in my view the important thing is to reduce dependence on energy supplies as a whole. That is the basic trend, and one which has repeatedly been supported with remarkable unity in the Committee on Energy and Research. We can only approach this question with realism and not with some kind of ideological reservations. I must also add that I have some sympathy with the Commissioner for showing a degree of reserve in answering the question as to what and how much is being supplied. I am sure that a better place to hear something about this would be in committee. I am also convinced that it is not primarily a question of whether commercial secrets are now to be revealed but rather the quite general question of security of supply, and here we are definitely in some trouble.

Furthermore, we are at present — and this is something that Mrs Walz brought up just now — negotiating with the United States. We should do everything to avoid blocking any paths that lead to greater independence.

Fuchs

After all, the situation is that every ton of uranium supplied to the Community increases the degree of our potential independence, because uranium can be stored. We can even form some kind of stockpile as a relatively good means of getting us over a shortfall in energy. And it is for this very reason that we should do everything in our power to obtain as much uranium as possible. This will also help us out of our dependence on South Africa, for example.

As regards alternatives, we adopted in this House a short time ago a motion for a resolution, a report on keeping the fast breeder option open. I realize that some Members have considerable doubts about this, but I feel it is clear to us all that only if this option is kept open and we are in a position to use the uranium 60 times more efficiently, can we do anything about our dependence.

I would therefore ask that in the circumstances all these possibilities in the political field not only be examined but also that some action be taken on them. Then I believe we will take a small step forwards towards independence. We should therefore set aside not only unjustified fears but also false ideologies, so that we may come a little closer to achieving the objective of independence in the energy sector.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, the question which was asked today was couched in the following terms :

The Republic of South Africa seems to be developing more and more into one of the most important producers of natural, non-enriched uranium. It is expected, for example, that the output of uranium oxide, which was still only 3 256 tonnes in 1976, will this year be 5 300 tonnes, reaching 8 500 tonnes in 1981.

By virtue of the situation on the world market, where competing countries such as Australia and Canada are stipulating very stringent delivery conditions and limiting uranium production, South Africa is becoming the chief supplier of uranium.

1. Can the Commission state to what extent this means that the Community is dependent, or will be dependent in the future, for its supplies of nuclear energy sources on deliveries of uranium by South Africa?
2. In view of the undesirable nature of any kind of dependence on South Africa, is it prepared therefore to ensure that, in the longer term, there are alternatives to uranium supplies by South Africa to the Community?

I came along, briefed, as is the manner of Commissioners, with an answer which, given the request of President Colombo made here some months ago to me personally, I thought was judged about the right length — about half a page of typescript — and in which I answered both parts of the Member's question. I said, and I acknowledged, that the figures

quoted by the honourable Member demonstrated the extent to which South Africa ranks as a major world producer of uranium. I referred to the latest NEA-IAEA report and pointed out that South Africa has actually nearly 20 % of world reserves and presently holds second place amongst Western producers. I further pointed out that this country should be considered therefore an important source of supply of uranium for users in the Community. The volume of transactions, I said, between users of the Community and the producers of third countries cannot be published for reasons of commercial secrecy. I then went on further to explain the extent of the Community's dependence in the future and spoke about the Commission's awareness of the situation which would flow from an over-heavy dependence on any one supplier country, and that therefore the Commission continued to be in favour of a policy of diversification for its uranium supplies. I ended the answer to the question as follows :

Taking account of the geographical distribution of this product, the Commission considers it imperative that no source whatever be disregarded.

In answer to supplementaries, I indicated what the Commission was doing under Article 70 of the EAEC Treaty with the object of improving prospecting for uranium in the Member States. I pointed out also that we were taking a favourable attitude toward enterprises in other countries — Canada and Australia, and I could have added Africa, Latin America and so on.

I therefore say, Mr President, that my reply was as adequate as is usual in the circumstances and that in those areas in which I naturally had to be reticent I did not do so for any other reasons than those which are perfectly understandable to the House. Now in saying that I do not wish in any way to say that the honourable Member who raised this question or any other members of the group who spoke have not a perfect right to demand, to require and to request that Commissioners who are responsible for a particular dossier should be able to be present. I think, Mr President, that Mr Fellermaier would acknowledge that I, as the Commissioner responsible for relations with Parliament, have tried indeed, in meetings with the enlarged Bureau, to suggest methods by which, by arranging our business in such a way, we could better facilitate the arrangements which would be required to have Commissioners present; it is in fact a matter of regret to me that my colleague Dr Brunner is not able to be present. That he was not present for Question-time is evident; that we would not be able to be present for a *débat d'actualité* which would take place very shortly afterwards is equally obvious. I say I regret that and will draw it to his attention, and draw the general tenor of the debate to the attention of my other colleagues in the Commission. But I would like to point out that I gave the answer in good faith as briefed and gave it fairly adequately, and that there-

Burke

fore, if in any sense I had to be reticent, as Members of the House will realize, I had to do so for reasons which are perfectly acceptable.

I would therefore ask the Member who asked the question and others who spoke to accept from me that within the usual practices of this House my answer to the question and my answers to supplementaries, were adequate and forthcoming, and that on the other point regarding the presence of Commissioners I have taken note of that and will draw it to the attention of the people who are concerne. I would also like to thank the House for the polite way in which they have raised this question and to say that it is a matter of very great importance which I have tried to deal with to the best of my ability.

President. — Thank you very much, Mr Burke, for your readiness to communicate the drift of this discussion to your colleagues in the Commission. I note that there remains a certain disappointment that not more light could be shed on this important question.

Insofar as I follow Mr Fellermaier's remarks, however, a little more caution should perhaps have been shown on our side. In converting this issue in the Bureau — and I am sure I speak with its agreement — from an oral question without debate into a question in Question Time, there was perhaps some slowness in appreciating the full scope of what you wished to discuss today.

Yesterday Mr Brunner was here for the Commission. If it had been an oral question, it could have been taken yesterday in his presence. Unfortunately that has not now happened, but I would be grateful to you, Mr Burke, if you would indeed inform the Commission that the House naturally attaches importance to the principle that in such debates in future the Commissioner, with the whole wealth of his knowledge in his sphere of competence, should be at our disposal.

The debate is now closed. I call Mr Fellermaier.

Mr Fellermaier. — *(D)* Mr President, as you were speaking, Mr Dankert asked for the floor. We could not, of course, ask to speak before Mr Burke. Mr Dankert asked for the floor because we felt in connection with one particular aspect of the matter that the answer given was not adequate. I would therefore ask you to allow the topical debate to continue as allowed by Rule 47, and that is why Mr Dankert wanted to speak. I am sorry, Mr. President, that you were unable to see him because of the pressure of business.

President. — Mr Fellermaier, it is indeed the fact that I could not see Mr Dankert's request to speak. Please excuse me.

I call Mr Dankert.

Mr Dankert. — *(NL)* Mr President, I will be very brief. I do not need to read out my own question. Mr Burke has said that his answers were 'forthcoming' but I feel that this must have been meant ironically because we were in fact informed as regards my first question that the answer must remain secret and that as regards my second question the Commission favoured diversification without any further specific details being given. I have not been a Member of this Parliament for very long, but from my not inconsiderable parliamentary experience in the Netherlands I know that this is the kind of answer we have to put up with in a national parliament. It seems to me that we cannot expect any more in the European Parliament than is usual in a national parliament.

President. — Mr Dankert, I am sure you have gathered from this discussion and from the reply by Mr Burke that you will have the opportunity to go into this matter further in the committee responsible, and this House will certainly take up this issue again in plenary session when the occasion arises.

The debate is closed.

9. *Efficient air traffic control (resumption)*

President. — The next item is the resumption of the debate on the Noè report (Doc. 49/78).

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

Mr Seefeld. — *(D)* Mr President, ladies and gentlemen, several hours have passed since Mr Noè presented his report in this House. Although he can no longer be here with us, I should like to thank him very sincerely for attempting to deal with a very extensive and important subject in so short a time.

We all know the problems. For some of us and particularly for those who have concerned themselves with questions of European transport policy in the last few years, it is, then, nothing new to hear the constant appeal for unification of air traffic control in the part of Europe for which we are responsible. The airspace is very limited in our area, and the number of aircraft — civil and military — has grown and grown.

In his report Mr Noè has pointed out very clearly that there are a number of safety factors to be considered in aviation. He refers to the people involved — the pilots — to the equipment — the aircraft — to the required infrastructure and, of course, remembers everything provided by the airports, the traffic control services, the aircraft warning services and so on, and he also mentions something namely meteorological conditions. Everything he says in these respects is quite true.

Seefeld

As politicians we have been increasingly shocked in the last few years as one aircraft disaster after another has occurred somewhere in the world, and it is, of course, true that when many thousands of the citizens of our countries die every year on the roads, we feel extremely sorry for each individual and get upset about the situation and try to take as many safety precautions as possible. But when an aircraft gets into trouble and crashes, the number of those who die is very large and the public naturally reacts differently. This is understandable, and it is also easy to explain why we are called upon to do something about it.

On behalf of my group, I should like to say that we are very open-minded about the whole problem. I would point out that some considerable time ago, if I remember rightly, we were the first to introduce the whole problem of Eurocontrol in this House, and I would also say that our group still agrees to everything that has hitherto been said in the European Parliament about a uniform air transport policy. We are convinced that air transport policy should not be excluded from the European transport policy. We therefore believe that a report on improvements to air traffic control should be closely related to air transport policy as a whole. They belong together, and this must be emphasized here once again.

Mr Noè's report, and particularly the motion for a resolution, raises a number of questions that concern not only air traffic control but also other areas which are connected with the overall air transport policy. Of course, it is true to say that we must first very carefully clarify whether it is possible after all this time to make air transport policy supra-national or must each country continue to go its own way?

It is, of course, true to say that in the long term it must be established how effectively air and rail transport can be compared where certain short journeys are concerned because the national rail policies are repeatedly a subject of discussion in our countries as at Community level, and the question naturally arises for the man in the street whether there is any point in granting subsidies where it can be proved that this or that means of transport is better. To date we have always considered freedom of transport to be right, but we also feel that serious thought must be given to this subject. This, too, is mentioned in the report. This House has already had a debate on how air transport and rail policies or transport policy as a whole can in fact be effectively pursued.

It is also undoubtedly right to say, as Mr Noè has done in paragraph 15 of his motion for a resolution, that everything should be done to give added impetus to the application of research being undertaken into the artificial dispersal of fog at airports. All this is extremely important when it comes to safety.

Ladies and gentlemen, my colleagues and I find it essential that we should state once again in connection with this debate that we can see no acceptable political reason why an organization that operates relatively well such as Eurocontrol, with which several of our countries have hitherto had favourable relations and which they have supported, should be placed in jeopardy because agreements cannot be reached on certain matters such as difficulties with financing or how the lower and upper airspace is to be supervised in future.

We also feel that the difficult problem of military and private air traffic control must be tackled. We must not have the two working side by side, especially when it is realized how many near-misses have occurred in the last few years over the territory of the European Community, occurrences in which, fortunately, nothing has happened, but which could well have had disastrous consequences.

On behalf of my group I should therefore like to appeal once again to all the governments and to all those in positions of political responsibility to try not to abolish what is — as I would emphasize ~~once~~ again — a relatively intact institution such as Eurocontrol, but to expand it and to include those Member States which do not at present belong to it. I hope that it is not yet too late and that a declaration by the European Parliament on the subject — as the motion for a resolution also states — may mean that this organization can be saved.

Mr President, ladies and gentlemen, I do not intend to repeat everything that Mr Noè has said in such excellent fashion. I would only stress once again that we would very much welcome it if some responsible institution such as the European Parliament made the attempt to join together what should be joined together. What is said in paragraph 20 is therefore quite right.

I would very much appreciate it if this Parliament instructed its President to convene a meeting, a conference of all the institutions and agencies concerned — and the Council of Europe and the international aviation organizations should be invited too — at which we can sit down and think out together what is the best solution for Europe in the field of air traffic control.

On behalf of my group I would also plead for everything to be done to eliminate the existing differences between individual countries in the Community and to implement a uniform, transfrontier system of air traffic control so that we can say to the public: when you fly in the European Community, you are flying as safely as is possible.

Seefeld

There will undoubtedly have to be further comments on various aspects of this subject, but what we found so important was that the relevant committee has taken up this subject, that a wide measure of agreement has been reached, and that Mr Noè was able to present his report here. We would also appeal to all Members of this House to do everything that is necessary in this area, which is so important, and I would even say vital, an area for aircraft users. The motion for a resolution contained in this report covers most of the points, we feel, likely to contribute to the elimination of the hazards in the air transport sector.

Mr President, ladies and gentlemen, there is no point in going into the technical details. Mr Noè has told us about them, and they should be left to the experts. All I can do here and now is appeal to political reason in the European Parliament and say: take a political decision to help us to do everything reasonable in the interests of the safety of people who travel by air.

IN THE CHAIR: MR BERKHOUWER*Vice-President*

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

Mr H. W. Müller. — (*D*) Mr President, ladies and gentlemen, I should like to make a few brief remarks, in which I largely agree with what the previous speaker, Mr Seefeld, said. The aim of Mr Noè's report on the improvement of air traffic control was to set out in sequence the various parameters which influence flight safety, a task that Mr Noè has accomplished in masterly fashion despite the difficulty and complexity of the subject matter. The report refers to both the technical and the political solutions that are possible. The committee fully endorsed the motion for a resolution.

I should just like to refer to paragraphs 19 to 22 of the motion for a resolution again. It is rightly regretted that the Community institutions have never taken any action on the question of air traffic control. There is an urgent need for a conference of all interested parties. A large number of parties is concerned with this question, and the fact that there are so many is undoubtedly — as we know from experience — not making it any easier to find a solution to the problem. In this field, therefore, as Mr Seefeld has just pointed out, the European Parliament could do everyone a great service.

Ladies and gentlemen, flight safety is, if I may repeat what the previous speaker said, based on the following four factors: man in the person of the pilot, aircraft, infrastructure — air traffic control services, airports, navigation aids, air telecommunications services and

such like — and meteorological conditions. Optimum safety can be achieved only if in addition to an improvement in each of these sectors, considerable efforts are simultaneously made to improve the interrelationship between these various factors. Allow me, Mr President, briefly to refer to a number of points that appear to my colleagues in the Christian-Democratic Group to be of particular importance.

Firstly, as Mr Seefeld has said, Eurocontrol should continue to be strengthened, and this after 1983, when the present Convention expires. Furthermore, more thought should be given to the extent to which civil and military aviation could be better coordinated. In one of the Community countries, Italy, joint air traffic control is in operation. But in the other Community countries there are at present no official — and I stress official — contacts between the civil and military air traffic control authorities, and in fact an almost artificial distinction is made between military and civil responsibility in this sphere. In view of the specific geographical position of Western Europe and in spite of the high density of air traffic here even more intensive cooperation is required, and there should be no re-emergence of thoughts of national sovereignty in this question.

I should like, Mr President, to take up a point made by the Committee on Economic and Monetary Affairs in its opinion, which concerns a very welcome side-effect of the implementation of the measures referred to in Mr Noè's report. I am referring to the fact that the competitiveness of the branches of European industry concerned, and in particular the aircraft and electronics industries, would be greatly improved if the measures proposed here were taken.

To summarize, Mr President, my group fully endorses this report.

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

Mr Jung. — (*D*) The Liberal and Democratic Group welcomes the report drawn up on behalf of the Committee on Regional Policy, Regional Planning and Transport and congratulates its rapporteur, Mr Noè. In view of the limited time available it will unfortunately not be possible to go into the many aspects of this comprehensive report, and I place my hopes in this respect in the hearing that has been suggested and in the comprehensive conference to which Mr Seefeld has referred with some emphasis.

Although the European Parliament has on various occasions discussed the problems connected with safety in air transport, it is unfortunately indicative of the situation in this sector that we are now debating a report that does not concern a Commission proposal. It is in fact an own-initiative report of the European Parliament, and it can only be hoped that it serves its

Jung

purpose, in other words prompts the relevant institutions — at long last, I would add — to develop ideas, and put forward proposals likely to eliminate the well-known hazards in air transport or at least to reduce them very substantially.

The fig-leaf provided by Article 84 (2) of the EEC Treaty, which is frequently used as an excuse for inactivity, can hardly be accepted as an argument. We are dealing here with serious problems which affect us all, and I would add that these problems do not by any means concern only the nine Member States of the European Community. They exist, of course, throughout the world. The Commission should long since have realized this and taken appropriate steps. It can in no way claim to have been surprised by this development or by the speed with which it occurred.

Why did it not realize in good time that the problems that exist can only be solved if treated globally? Why has it found it impossible hitherto to conduct appropriate negotiations with, for example, ICAO and IATA? Why was no attempt made to raise these questions in, for example, the Council of Europe or the UN? There can be no disputing that there have been many opportunities, and the unfortunate Article 84 of the EEC Treaty would not have stood in the way of such efforts.

We must, of course, admit that we are also to blame. I would also refer to the division just mentioned by Mr Müller between military and civil powers in national airspace. Integration of all authorities must be achieved as soon as possible, otherwise any efforts made are doomed to failure.

It was in June 1977 that the Liberal Group in the German Bundestag, for example, last called for the introduction of international unity of control, at least for German airspace. I hope that this will be an incentive to Members of other parliaments in this House to call for the same action with regard to their national airspace. Unfortunately, as Mr Noè warns in his report, there is a growing move in air traffic control away from cooperation rather than towards it. Here again my group feels that everything possible should be done to counteract this jealous national hysteria. The future of Eurocontrol is connected with this, as Mr Seefeld and Mr Müller have already said.

Originally Eurocontrol — if I may again take the Federal Republic as an example — was to have operated the control centre in Karlsruhe alone, with the Southern Air Traffic Control Sector, that is military air traffic control, being responsible as a guest for the control of military air transport. Under the present arrangement Eurocontrol makes the technical system available, while air traffic is supervised by the Federal Air Traffic Control Institution and the Southern Air Traffic Control Sector. To ensure satisfactory air traffic control, Eurocontrol devised a technical system which

gives the controller a picture obtained by the automatic processing of radar data and flight plan data. The controller thus sees on the radar screen not only the position of aircraft but also such information as the call sign and altitude. Flight plans that contain errors are automatically shown on data screens and corrected manually. Information on the location and altitude of all aircraft being controlled is passed to the control centre by radar equipment. After the information received from these sources has been evaluated, the data processing system provides an overall picture of the current air traffic situation, which is then shown on the controller's radar screen.

I mention this to illustrate what progress can be made towards achieving a high level of safety. In future stages the automation of the system is to be considerably improved. At the same time, the plan is to transfer to Karlsruhe the control of the upper airspace now exercised by Munich, once appropriate simulation has been carried out. The Karlsruhe control centre will then have considerable reserves of capacity and thus be able to handle the increase in the volume of air transport in coming years.

I have gone into this example in such detail to show how valuable Eurocontrol is for us today and that we must do everything to prevent Eurocontrol from dying in 1983. The Liberal and Democratic Group will do everything in its power to ensure that this valuable instrument is maintained and that it is given additional functions — without it becoming a new bureaucracy — and is developed into the foundations of a European air traffic control system.

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

Mr Osborn. — Mr President, tonight we are debating essentially a European problem in a European forum arising out of the accident in Zagreb in September 1976 and the airport disaster at Tenerife in March last year, and which incorporates problems and tragedies such as that at Biggin Hill, when a light plane and a helicopter on visual flight rules were unable to make radio contact. We are talking about air safety over Europe.

I have had the privilege of giving the original opinion of the Committee on Energy and Research and of working with Mr Noè, and I must say that his report constitutes a first-class summary of the problem facing Europe, and puts forward a line of action that we, as parliamentarians not only in the Council of Europe or in our national parliaments, but here, can take to do something about it. The expansion of international air transport and the need to accommodate other types of traffic such as military and private aviation, poses problems of capacity which are likely to impede the orderly and rapid movement of ordinary air traffic in proper conditions of safety. In Europe,

Osborn

because of a number of factors, the situation is acute. My approach has been through research and development, with the Committee on Energy and Research in support of the European avionics and electronics industries.

But the difficulty is that in Europe, flights are international to too great an extent: they take off from one country, land in another, having perhaps overflowed one or more countries en route. Now ideally, air traffic control should be a world problem: there is ICAO, and also IATA. ICAO's activities could be debated in the United Nations, but it is hardly the forum for our problems in Europe. Perhaps the biggest administrative difficulty in Europe is the fact that each government regards its own airspace, especially for military use, as sovereign. There are pressures in each Member country of the Community and in Europe to ensure that control of this airspace is national and, in particular, that the bills for air traffic controllers are paid for on national rates. Of course this subject has been debated by national parliaments, but they tend to look at air traffic control from a national standpoint rather than from the wider, world-wide or European view. Now there is ample evidence within national governments of Parkinson's Law setting in: these governments support the growth of their own air safety monitoring activities rather than those on a broader basis. I would like to say that the original aim of international control — namely the exercise by Eurocontrol — was a good one. There are new dimensions to be looked at — whether we are concerned with upper airspace only, or all airspace — and the field is changing.

After the accident over Zagreb, the Committee on Energy and Research looked in detail at the ACAS — this is the airborne collision avoidance system — and the beacon collision avoidance systems, and this led to consideration of pilot responsibility, and the extent to which control should be in the hands of the pilot. These are detailed issues which we cannot refer to today. But one of the causes of this need is the concern with military flying and the fact that each country has a different arrangement for controlling and combining military and civil airspace. Europe is perhaps the most densely covered area because it has to combine NATO requirements with civil requirements. There are strict lanes for flying, and strict procedures for controlling and maintaining these disciplines. We need to look at the cost of this particularly in comparison with that of the United States of America. What are more important for the future are a flow control system and strategic planning over European airspace such as have been developed in the United States of America the concept of a unified regime with one major centre near Washington and 20 identical en route stations, in which no plane sets off without a destination and the amount of circling before landing is cut to a minimum. This would give substantial savings and is something that those respon-

sible for civil aviation should look at. But too many governments are hesitant to take initiatives. National parliaments are concerned with accident records and near-misses, but we should look at these on an international basis. Above all, there is a need to ensure that in avionics in the Community our competence and expertise goes forward at the same pace as across the Atlantic.

I would like to touch on 3 examples. I have raised here the question of a Vanguard in April 1973, which flew into Basle and could possibly have been misled by signals coming from the overhead powerlines. This is a very difficult problem and one some observers feel is not fully understood. Secondly, and I have a question on this which we did not reach today, there is the IATA assessment of Microwave Landing Systems as against the ILS systems and the fact that the Time Reference Scanning Beam equipment of the US/Australian type has been put up against the British Doppler type equipment. I would like to know what research work has gone on in the Community and whether we have the facilities available to match what has been tested in one laboratory, the Lincoln Laboratory. The third point that concerns us is that of a flight from Paris to South Korea a few weeks back which, because of difficulties with the giro, happened to be 1000 miles off-course, and this led to an international incident. These are all problems where politicians representing air passengers want to ensure that the experts are maintaining the utmost vigilance and safety.

Mr President, this is an age in which parliaments want to control things. I have raised these issues in the British Parliament and there are keen aviation committees there. Next week the Parliamentary and Scientific Committee will be looking at the technology of air flight management and air flight control. If this were to be continued in all the other national parliaments then those who represent the consumers, the passengers, would better understand the complexities that have to be resolved at the political as well as the technical level. There are other things that we should look at in the future. The South Korean episode has reminded us that standards of maintenance and operation of equipment in the Third World, and at the interface between the Warsaw pact countries and the Western world, create problems which must be resolved. Perhaps it is better that parliamentarians should come together in an international forum. I support the concept of interested parties coming together with the emphasis on European control so that we can get away from nationalism. Bearing in mind that Eurocontrol as envisaged has had to be revised and will be subject to a new convention, for which drafts will be coming out in the next 12 months, I think the Community has a vital political role — also through the Council of Ministers and the Commission — to ensure that we do not revert to a variety of national approaches.

Osborn

I hope that the Council of Ministers and the Commission, whilst accepting their limitations and their difficulties, will concentrate on indirect action and concerted action to bring the interested parties together so we can better understand what the problems are and how they can be resolved. I support the many speeches that put forward an active role for Eurocontrol, rather than a negative and a declining one. This is an important issue, and I welcome the fact that it has been brought up in this forum today.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, this is a report of great interest and, as many speakers have noticed, of comprehensive scope. It marshals material on many aspects of the important matter of safety of civil air operations. It looks at them particularly in relation to operational air traffic control, where it also discusses the future of Eurocontrol. In addition, it has an authoritative section on meteorology. It has industrial and research and development aspects too, to which I will return later. It is valuable that this report, undertaken at the Parliament's own initiative, has illuminated the range of issues and shown their relationship. It can be expected to advance understanding and consideration of these important matters internationally, in the Community and more widely. The resolution suggested lines to be pursued in several regards. The Parliament will recall its discussion of these topics in recent years. There were the debates on Mr Noè's oral question about air safety on 12 November 1975, Mr Durieux's oral question about Eurocontrol on 10 March 1976, and Mr Osborn and Mr Noè's oral question about air traffic control on 5 October 1976. Members will recall too that the Commission had made extensive proposals of a general kind in the programme for the European aeronautical sector in October 1975, which included reference for air safety. The Council did not decide upon the air traffic aspects of those proposals at that time. It has however, since then, at the Commission's initiative, set up arrangements to go into civil air transport matters. The terms of reference for the Council group are as follows:

1. To identify those areas of government activity in the field of air transport which would derive benefit from early attention within the Community framework and to draw up a priority list of items for examination.
2. If necessary, to study what provisions the Council might adopt for air transport under Article 84 (2) of the Treaty of Rome.
3. To examine what subjects the Council could ask the Commission to study in relation to both points 1 and 2 and to the application of the general provisions of the Treaty to air transport.

On more technical air operations subjects, the situation of the Commission has been explained in previous parliamentary statements by the Commission on

the occasions that I have mentioned. Our own capabilities, knowledge and resources — notably staff — in that technical field are very limited. Really they are non-existent. These are matters fraught with responsibility for human life, on which it is necessary to have reached a solid state of knowledge in depth and a mastery of the technical issues before the expert bodies. This would mean, for a start, equipping ourselves with in-house professional experts in several different disciplines. Given other priorities pressed on us, perfectly legitimately, and not least of all by this Parliament, and the overall budgetary constraints, I would hesitate to assure honourable Members that I see us readily acquiring resources and capabilities of that kind.

Honourable Members who have spoken have appreciated the wider international setting of operational control. Airspace over Community countries is closely bound up with that over immediately neighbouring countries and out into the Atlantic and across the Mediterranean. There the International Civil Aviation Organization, the world-wide specialized agency of the United Nations for civil aviation, rightly has its role in the planning of air routes and zones, and it facilitates the establishment of standards and recommended practices. It has a regional set-up in Europe and a wider planning region that includes Europe. In addition, the civil aviation authorities of our member countries and other European states bring together their technical knowledge and recommendations in the European Civil Aviation Conference which is linked with ICAO and the Council of Europe. The Community is strengthening its liaison with ECAC and developing it with ICAO. It would obviously not be our purpose to try to supplant those bodies in their wider geographical area or to duplicate their activity. There could however be fields, for instance in common criteria for acceptance of material and professional qualifications, where Community actions could contribute usefully and in ways not practicable for the wider organizations while not conflicting with them. Eurocontrol has been mentioned. Not all Community countries belong to Eurocontrol, and it has functions going outside the Community's area.

Its founding convention and institutions are entirely distinct from the Communities. The Commission has, naturally, sought to keep itself informed of the general evolution of Eurocontrol. That includes proposals for its future, including its role as a body for coordination, planning and experiment. As things stand, we could not claim to be capable of offering a technical assessment of operational issues connected with Eurocontrol's future functioning. Again, we have seen the United Kingdom study on long-term air traffic schemes in Europe. As honourable Members have mentioned, there is also an important defence aspect to control of airspace into which NATO planning and

Burke

arrangements, as well as coordination in each country, enter. Members will equally understand that I can hardly will equally understand that I can hardly go further in any military operational matters outside our competence.

As honourable Members know, the Council decided last year, after an initiative from the Commission, to set in hand work to identify topics of apparent priority interest for the Community in the air transport field. The heads for attention they have so far suggested include common standards for material and interchangeability of common and professional qualifications of crews. Both of these have their relevance for the broad issues of operational safety involved in this report, and I am sure that the availability of this report will be a further significant influence on that work. I note attentively point 10 of the proposed resolution. Honourable Members understand what I have already said about resources and expertise. Clearly, examination of how national air traffic control administrations work together would necessarily depend on the fullest collaboration of those authorities. Given the arrangements for work on civil aviation that have been set up in the past year by the Council's decision of the 28 and 29 June 1977, this comes into the field of point 21 of the resolution. Accordingly, I will see to it that the attention of the group identifying matters of Community interest in the air field is drawn to that point, as indeed to the whole report, looking too at whether the Community initiatives could further achievement on a wider European scale. In passing, Mr President, I offer the comment that participation by the national air traffic control services would seem necessary for the success of a conference such as that suggested in point 20 of the resolution. Turning to the technical industrial problems which are raised in points 4, 5 and 6 of the proposed resolution, the Commission already believes that there is an interest for the Community in development of activities in that field. I will ask my colleagues who are responsible in these matters if the research programmes on aeronautical material matters and datamatics can include at least part of this.

In the course of the debate, many points of interest were raised. I shall just refer briefly to one or two of them. The first is the matter raised by Mr Osborn, when he referred to difficulties experienced by a Vanguard in entering the airport at Basle. I was interested in what he had to say, but the point raised by him touches on the problem of safeguarding local airports and the general safety considerations involved in the lay-out of airports. This is not something on which a worthwhile study could usefully be undertaken by the Commission.

On the point about the ICAO assessment, this matter is up for reply on Thursday, and I wonder whether I could usefully anticipate the reply which will be given

at that time. Nevertheless I can assure the honourable Member that this matter has been seriously considered by the Commission and the reply will be given at Question Time on Thursday.

Finally, on the matter of the flight of the aircraft from Paris to South Korea, I too, as well as the Commission authorities, noted how the aircraft in question strayed off the flight path, but apart from noting it and considering that this is a very serious problem, I would point out that the EEC as such could not undertake any responsibility for what in fact is a worldwide problem. I was particularly pleased that the honourable Member accepted the limitation on the resources of the Commission, and this is the point which I would like to stress, because it would be idle to give an impression to Parliament that with the very limited numbers of personnel in the Commission involved in this area we could do more than I have said we can do. With those few words I conclude by complimenting Parliament on the study and assuring you that, within its capabilities, the Commission will pay close attention to the contents of the report and resolution in the development of its work, in collaboration with the other components of the Community and the sectors concerned.

President. — I note that there are no more requests to speak. The motion for a resolution will be put to the vote during voting time tomorrow.

The debate is closed.

10. Documents submitted

President. — I have received the following documents :

from the Council

(a) requests for opinions on :

— the proposal from the Commission to the Council for a directive on the approximation of the laws of the Member States concerning the protection of employees in the event of the insolvency of their employer (Doc. 107/78)

which had been referred to the Committee on Social Affairs, Employment and Education as the committee responsible and the Legal Affairs Committee for its opinion ;

— the proposal from the Commission to the Council for a decision concerning the activities of certain state-trading countries in cargo liner shipping (Doc. 110/78) which had been referred to the Committee on Regional Policy, Regional Planning and Transport ;

(b) An opinion on part 2 of the proposal for a transfer of appropriations from one chapter to another within Section III (Commission) of the general budget of the European Communities for the financial year 1978 (Doc. 111/78)

which had been referred to the Committee on Budgets ;

President

- (c) Draft supplementary budget No. 3 of the European Communities for the financial year 1978 drawn up by the Council on 8 May 1978 (Doc. 112/78)

which had been referred to the Committee on Budgets ;

I have also received the following reports from the parliamentary committees :

— Report by Mr Cointat on behalf of the Committee on Budgets on

- I. draft supplementary budget No 3 of the European Communities for the financial year 1978
- II. request for the release of certain posts at the Court of Auditors submitted on 7 April 1978
- III. request submitted to Parliament for the transfer of certain of the Court of Auditors' appropriations

(Doc. 113/78)

— Report by Mr Klinker on behalf of the Committee on Agriculture on the proposals from the Commission to the Council for :

- I. a regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels registered in the Faroe Islands
- II. a regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway
- III. a regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Sweden
- IV. a regulation allocating catch quotas between Member States for vessels fishing in Faroese waters
- V. a regulation allocating certain catch quotas between Member States for vessels fishing in the Norwegian exclusive economic zone

(Doc. 114/78).

11. Agenda

President. — In view of the urgency of the matter, I propose that the report by Mr Cointat on behalf of the Committee on Budgets on draft supplementary budget No 3 and other budgetary matters (Doc. 113/78) be placed on the agenda for tomorrow's sitting, 10 May, after the oral question on the Council of Ministers.

Are there any objections ?

That is agreed.

12. Shipping

President. — The next item is the joint debate on the report (Doc. 47/78) drawn up by Mr McDonald for the Committee on Regional Policy, Regional Planning and Transport, on

the proposal from the Commission of the European Communities to the Council (Doc. 540/77) for a regula-

tion concerning accession to the United Nations Convention on a code of conduct for liner conferences

and on the motion for a resolution (Doc. 81/78) tabled by Mr Nyborg on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the activities of certain state-trading countries in cargo liner shipping.

I call Mr McDonald.

Mr McDonald, rapporteur. — Mr President, as rapporteur on the proposal from the Commission of the European Communities to the Council for a regulation concerning accession to the United Nations convention on a code of conduct for liner conferences, I should first like to thank Mr Fuchs for explaining this far from easy subject matter in committee in my absence, and for assuming responsibility for my report until it was adopted by the committee. I should like, sir, to thank all those who voted in favour of this report in committee. In fact there were no votes against and only two abstentions. This was, I think, by no means expected, since there was a considerable public controversy on this subject in the circles directly concerned and indeed amongst the governments. So, with the overwhelming support of the committee behind me, I can recommend the House to adopt the motion for a resolution and approve the Commission's proposals, to which we have proposed only minor amendments.

The Commission's proposals can be regarded as a balanced compromise which will enable the Community to play its part in this important aspect of shipping policy, and to assume its responsibility at world level. Nobody here today will dispute that the Community bears a responsibility of this kind for the nine Member States in particular and for world shipping in general. The debate we had in Luxembourg in the April part-session on the Amoco Cadiz catastrophe showed that there is an undeniable need for our countries to hold together in world shipping policy questions. We are concerned today with only a small but nevertheless important part of a common shipping policy : the introduction of certain rules of a code of conduct for liner conferences. I should briefly like to explain the most important aspects of this matter. Conferences are liner cartels which can wield considerable economic power in their own spheres. It is generally accepted that these conferences are useful instruments in the organization of world shipping, and no-one is thinking of abolishing them. But the ways in which these conferences sometimes act has resulted in new shipping countries, particularly the developing countries, feeling that the conferences exclude them from participating in world shipping. As a result, it was requested within the framework of UNCTAD that the developing countries be given a fair share in the transport of the goods the export and import by restricting the conferences' freedom of

McDonald

action to some extent. After lengthy negotiations, the convention on a code of conduct was signed in Geneva on 6 April 1974, and deposited for accession and ratification.

The convention provides for certain rules for the fixing and changing of freight rates and the relations between the conferences and shippers, as well as various arbitration procedures. But above all it gives each shipping line the right to become a member of the conference that serves its country and contains a rule on the sharing of cargo which has come to be known as the 40-40-20 rule. Under this rule 40 % of a country's exports and imports would be transported on vessels of the country of origin, 40 % on the vessels of the country of destination, with the remaining 20 %, reserved for the cross-trade — that is, third country vessels. Unfortunately the opinions of the Member States of the Community on this code were divided. The Community was only represented as an observer and played no part in the negotiations. A number of Member States regarded the code as an encroachment on traditional maritime freedom, and even on the freedom of the seas. They felt that their shipping industries would be endangered, and they considered they must claim far more than the 20 % for cross-trade. Other Member States signed the convention and intended to ratify it because they saw it as a welcome means of restoring some order to world shipping and averting a greater encroachment on maritime freedom.

Without the code, they argued, there would soon be a 50-50 arrangement in world shipping as a whole. In fact, everyone wants to maintain the maximum of freedom, and the only point that is disputed is how this should be done.

The Commission pointed out that some of the rules contained in the convention might contradict the provisions on competition and the rules on freedom of establishment in the EEC as a whole. I do not want to go into the to-ing and fro-ing between the Council and the Commission and the Parliament that finally led to the submission of the Commission's proposals for a regulation to the Council that we now have before us. The Commission's proposals is, as I have already said, to be seen as a well-balanced compromise. It provides for the Member States of the Community and the Community itself to ratify the code while applying it in modified form amongst themselves and vis-à-vis all the OECD states. This would first have to be negotiated with the OECD Member States, but it is to be hoped that most of them will accept the Community's proposals. In a nutshell, the Commission's proposal states that the OECD and the EEC Member States would make their 40 % available to all OECD states within the 40-40-20 formula which would continue to apply at world level. Another important point is that the EEC

countries would recognize as shipping companies of their own country those shipping companies from other EEC countries which have established themselves in their territory in accordance with EEC legislation on establishment.

The Committee on Regional Policy, Regional Planning and Transport has suggested a number of amendments to the Commission's proposals, and I would ask the House to approve them. The most important of these amendments aims at a slight loosening of the link between the adoption of the United Nations code and the introduction of the EEC rules on competition, as proposed by the Commission. We do not want to do away with the link altogether. The Commission offers reasons of legal form for its proposal. We felt that the Community could save face and provide proof of its ability to act only if the code was ratified in the foreseeable future. Before this, the negotiations with the OECD countries must be held, and then ratification procedures must be completed in all the Member States. It will therefore in any case take some considerable time before the code enters into force in our countries. This time, I believe, can be used by the Council to discuss the rules on competition in sea transport, and if the Council can adopt such rules, all the better. If we cannot do so in the time available, the code should not be held up by the rules on competition. The Legal Affairs Committee proposed exactly the opposite to this. It felt the rules on competition should be incorporated in the proposed regulation on the code of conduct. The Committee on Regional Policy, Regional Planning and Transport was not able to agree to this for the reasons I have stated. Nor have we included in the proposal everything that the Committee on Economic and Monetary Affairs wanted, because we felt it would have upset the careful balance achieved by the Commission's proposal.

I would therefore ask the House to adopt the motion for a resolution in its present form. I believe that the Commission has made it easier for us to approve its proposal by agreeing to a request made by the committee and submitting a proposal for joint action against unfair competition from the state-trading countries. Unfortunately another request made by the Committee has not yet been fulfilled. The Commission has not yet proposed measures against flags of convenience and sub-standard vessels. However, following the Amoco Cadiz accident, we will presumably not have to wait too long for this.

President. — I call Mr Nyborg.

Mr Nyborg. — (DK) Mr President, I must confess that I am a little surprised at being called on to speak now as it would in a way be more appropriate for us to deal first with Mr McDonald's report and then with my motion for a resolution, but naturally it is entirely up to you to determine the procedural arrangements.

Nyborg

I would like to begin, Mr President, by saying that I am glad that it was possible to include the present motion for a resolution tabled on behalf of the Committee on Regional Policy, Regional Planning and Transport on the already overlong draft agenda for today's sitting; I shall endeavour to express myself as succinctly as the text now under consideration.

There have been a number of difficulties in communications between the Council and Parliament and this prompted a rather odd display of polemics both yesterday and earlier today, in the course of which we gained the impression that the Council did not wish to consult this high Assembly on the proposal for a decision submitted by the Commission. There were rumours that a telex would be arriving but when we started the proceedings this morning it had not yet arrived, which meant of course that we had no kind of guarantee that anything would turn up; nevertheless the telex has since arrived and we now take note accordingly that the Council did, after all, intend to consult Parliament.

However, in order to avoid too many procedural complications we have chosen to retain the motion for a resolution, subject to a few changes which I have tabled in the form of amendments.

Mr President, as I said before I am grateful both to you and to the members of this House for the opportunity to debate today the question of competition from the Eastern bloc countries in the shipping sector, more especially because specific measures are proposed to combat unfair competition in one of the transport industries of major importance to the Community. Seen against the many initiatives taken on previous occasions by Parliament and its committee responsible aimed at eliminating distortions of competition in the transport sector, it is a fitting and excellent idea for Parliament to deliver an opinion on the lines indicated in the motion for a resolution.

I wish to point out that Parliament received the Commission's proposal for information on Friday 14 April. To avoid the risk of the Council at its forthcoming meeting of 12 June using the absence of an opinion from the European Parliament as a reason or excuse for postponing a decision on this proposal, a motion for a resolution was available in all the official languages among the working papers at the meeting of the Committee on Regional Policy, Regional Planning and Transport less than one week after receipt of the text.

This motion for a resolution had naturally been drawn up in the firm belief that we would be consulted. As this transpired not to be the case — and we only learnt this in Rome — the wording of the motion for a resolution was changed in conformity with current practice, and this means that we must now change it once again.

The motion for a resolution was adopted by 17 votes with 2 abstentions and the views expressed by my colleagues in committee leave no doubt that I am not the only one who regards an initiative of this kind as essential. Allow me to remind Members that this is not the first time that the Council has been criticized here on account of its actions, or rather failure to act, in the transport sector. A number of years ago three committees, on the basis of a motion for a resolution tabled by Mr Mursch, fifteen other members and myself, looked at the various possibilities for bringing the Council before the Court of Justice on account of its reluctance to implement the articles in the EEC Treaty concerning the common transport policy.

What the Commission proposes in its draft decision can, in my opinion at least, be welcomed as a first step in what many of Parliament's Members regard as the right direction, not to say the absolutely essential one. Here I am thinking of the debates on Mr Bange-mann's motion for a resolution on the Community's sea transport policy (Doc. 268/75), the interim report by Mr Prescott on the Community shipping industry (Doc. 479/76) and the interim report by Mr Seefeld on sea transport problems in the Community (Doc. 5/77), to mention merely a few examples.

I will attempt to summarize the actual substance of the Commission's proposal very briefly, but perhaps the Commission representative can give us more information on this point. An annex to the proposal contains a detailed description of the objectives to be pursued by the Member States and the Community in their relationships with state-trading countries in the field of liner shipping. It specifies as the fundamental precondition free shipping under normal conditions, which means under formal conditions of trade and applying normal tariffs. This also means that our shipping companies must have reasonable access to freight in transit between the ports of the countries concerned and between the ports of the state-trading countries and of other countries. In addition, Community carriers must enjoy a reasonable share of the bilateral traffic between the Community and the Eastern European countries.

With a view to implementation of these objectives the main proposal is to initiate a consultation procedure under which each Member State collects, and forwards to the Commission, data on the developments within this sector of maritime transport. The Commission will be responsible for summarizing this information at regular intervals. If it turns out that the objectives that have been laid down are not being met the Council may, acting by a qualified majority on a proposal from the Commission, decide to apply appropriate counter-measures either at regional level, or in respect of one or more Member States, or in the form of licensing or even by imposing limitations on the

Nyborg

volume, nature, etc. of the cargo in question carried by ships from the state-trading countries.

The position can be summed up by saying that the measure proposed is in actual fact of a purely defensive nature as it is concerned solely with setting up a system for monitoring the market, and with concerted action in defence of legitimate interests.

In conclusion, I would call on the Members of the European Parliaments to adopt the motion for a resolution drawn up on behalf of the Committee on Regional Policy, Regional Planning and Transport in the hope that, on 12 June, the Council will adopt the proposed policy guidelines. As I do not wish to hold up the proceedings I will close by simply referring Member to the text of the motion for a resolution together with the amendments that have been tabled. They do not require any further explanation as they speak for themselves. Suffice it to say that, generally speaking they eliminate from the motion for a resolution those passages criticizing the Council for not wanting to consult us, because we have of course now received proof to the contrary.

President. — I call Mr Stetter to present the opinion of the Committee on Economic and Monetary Affairs.

Mr Stetter, draftsman of an opinion. — (DK) Mr President, I shall confine my comments to the report by Mr McDonald, Doc. No 47/78. This particular subject is especially complicated and comprises a number of technical and legal elements not well-suited for a debate here in the House. On the other hand, the maintenance of closed and well-organized liner conferences is of vital importance for the shipping companies concerned and for the traditional shipping nations and I therefore feel compelled to comment on a number of points of detail.

In its opinion the Committee on Economic and Monetary Affairs calls for a number of specific changes to the Commission's proposal for a Council regulation. As stated by the rapporteur, Mr McDonald, the Committee on Regional Policy, Regional Planning and Transport has in its report only partially taken account of our opinion and, at its latest meeting, our committee therefore decided to table two amendments for debate on the floor of the House. These amendments have been distributed and, as is clear from their substance, relate to Articles 2 and 3 of the proposal for a regulation.

Our amendment to Article 2 was prompted by the acceptance by both the Commission and the committee responsible, of the notion that the principle of the free movement of services should not apply to shipping. They both propose that shipping lines must be established in the Member State concerned. I wish to emphasize that the Committee on Economic and Monetary Affairs attaches great importance to the widest possible implementation of

the objectives of the EEC Treaty concerning freedom of movement for goods, labour, capital and services but we do of course appreciate that this cannot be achieved overnight. As a natural consequence of this fundamental attitude we regard it as extremely questionable for Parliament to endorse the view that the Community should not pursue the achievement of the free movement of services in the shipping sector. This would be what would happen if Parliament were to adopt the version proposed by the Commission and the committee responsible and, in our view, this is unacceptable.

The aim of our amendment is therefore to maintain in Article 2 the option of the free movement of services in the shipping sector, and I can disclose that the wording used has been taken from the Commission's previous proposals in this field. Our committee considers that the text we are proposing will, in the long run, facilitate the framing and adoption of a common shipping policy, while the Commission's text would help undermine the establishment of a realistic policy in this major field.

I now move on to our amendment to Article 3 of the draft regulation. Paragraph 2 of this article is illogical and would give rise to difficulties of interpretation. Our committee agrees with the introductory passage but this is then followed by three criteria for allocating cargo which in actual fact are in direct conflict with the initial passage. It is illogical to state that the share allocated to each shipping line must be determined by the application of commercial principles only to put forward immediately afterwards three criteria which cannot by any means necessarily be described as commercial. Our committee also takes the view that the adoption of these three criteria would entail the risk of irrational changes of ports of shipment and of the irrational establishment of subsidiaries, branches, etc.

The Committee on Economic and Monetary Affairs proposes therefore that we should stick to the simple statement that cargo be allocated according to commercial principles and leave it at that. The Commission and both committees are in agreement on implementing this principle. On behalf of the Committee on Economic and Monetary Affairs I therefore recommend that the House adopt these two amendments.

Some people might construe my remarks as being indicative of a generally critical attitude on the part of our committee to the Commission's proposal. This is not the case. I have so far concentrated on our committee's two amendments only because we consider them to be of fundamental importance, and I would once again express the hope that the House will endorse our view that we should not in this field go against our principles, which are enshrined in the Treaty.

Stetter

In addition, I would also like to say, however, that the Committee on Economic and Monetary Affairs agrees with the Commission and the Committee on Regional Policy, Regional Planning and Transport that it is simply essential to work out a common position on the United Nations Convention on a code of conduct for liner conferences. Alternatively, we risk having the quota agreed by the UN imposed on us indirectly and in an irregular and uncontrolled manner, and this is in no one's interest. At the same time, however, it must be emphasized that an isolated Community solution would be inadequate. In the opinion for the committee responsible our committee has given specific examples illustrating the amount of freight earnings of shipping lines that is derived from freight within the Community, within the OECF, between the OECD and the rest of the world, and outside the OECD. It is essential, particularly for the major seafaring nations, that a solution be found within the framework of the OECD. I would like to ask what progress the Commission has made in these negotiations and how it assesses the chances of achieving a positive outcome.

I will close by attempting to sum up the position. We are agreed that it is essential to define a Community policy on shipping. We are also agreed that a policy of this kind will automatically entail disadvantages for certain national shipping lines. And we are agreed that we cannot disregard the principle of the allocation of quotas to the developing nations, which is laid down in the UN Convention. However, our committee would warn against the drawing up of a Community policy which, by some member countries and the shipping companies of these countries, would be interpreted as an opportunity for other member countries to expand their national merchant fleets at the expense of the traditional seafaring nations. Were this to happen, the whole policy would be doomed to failure.

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

Lord Bruce of Donington. — Mr President, the House will be in some difficulty in dealing with the matters that are raised in this report and this resolution because, in essence, in their document of 15 December 1977 COM (77) 686 final, the Commission make the principal recommendation — which they transformed into a formal decision for the Council to agree upon — that Member States shall, in fact, accede to and ratify the code of conduct which has been so admirably described by Mr McDonald in his report.

I find this remarkable. When France and Belgium originally ratified the Convention to which Mr McDonald has referred and were joined by Germany in that regard, the Commission's first reaction was to open proceedings in the European Court on the grounds that the provisions of the Convention transgressed the Treaty. The Convention has not been changed in any way, yet now we find they are putting forward proposals for Member States to join something which they

went so far as to initiate proceedings against before the Court of Justice. This is a most remarkable situation. Moreover, they are not even satisfied with the existing code of conduct because in Annex 3 of their proposals in their directives for negotiations, they say :

'The code of conduct shall be amended in such a way as to permit the European Economic Community to accede to it.'

Well, then, why are the Member States being invited to accede to it at all? The preset position is that the full provisions of the code of conduct do not come into operation until 24 nations have agreed to it and 25 % of the total tonnage involved. At present only 5.7 % of the tonnage has been agreed, so the Convention is not yet in force. So the Commission is putting forward a proposal to Council which, if Council agreed to it, would then automatically bring the Convention into operation, despite the fact that it is of dubious legality from the Commission's standpoint. This really is quite ridiculous.

I speak this afternoon as a representative of the Socialist Group. I was in fact, the new chairman of the Committee on Regional Policy, Regional Planning and Transport and succeeded as chairman in piloting this through, although personally I abstained upon it. I well appreciate the zeal with which the rapporteur has tackled this question. Care and attention were devoted to it by members of the committee, members of the Committee on Economic and Monetary Affairs and of the Legal Affairs Committee because it is our custom in Parliament on those rare occasions when the Commission shows initiative, to try as far as possible to go along with them. But why this? Moreover, there are certain other defects in the Commission's proposals.

We are accustomed in national parliaments to passing legislation to come into operation on an appointed day. This is quite normal. We had a very long and protracted debate in the UK Parliament on the introduction of the National Health Service, at which all the legislation was laid down, but owing to the time that was taken to implement the legislation at local level and to set up all the various boards and everything else that was required, we fixed a date later on in order that the act could come into operation from that day. But here we have a miserable bit of suggested legislation in which the date of its coming into operation is conditional upon a number of things. It is, first of all, conditional upon the Commission itself making proposals about its own competition policy in relation to transport. Secondly it is conditional upon successful negotiations with the OECD countries. Indeed, the proposals lay down as special procedure, that if one or two members of the OECD do not agree, then the Council, by qualified majority shall decide whether or not to ratify. Why on earth should Parliament be encumbered with all this nonsense?

Lord Bruce of Donington

We have no reason to contort ourselves in this way. This proposed legislation, were it produced in the national parliament of any Member State, would be flung out — hook, line, and sinker — as being badly drafted, ill-conceived and too vague for ordinary Members of Parliament to be devoting their time to it. It is only thanks to the utmost patience of the Members of Parliament here that it is being considered at all.

Now, as regards Mr Nyborg's resolution, I am able on behalf of my group to give support to this — support to the proposal of the Commission. The proposals of 12 December mentioned the problem of the state-trading companies but the draft for a Council decision dated 6 April which has been discussed so ably by my colleague Mr Nyborg does lay down specific things for the Council to do. It says :

'Each Member State shall institute a monitoring system designed to obtain and record information on the development of liner shipping activities and state trading companies'.

Excellent !

'Each Member State shall forward to the Commission within 6 months the information provided by its monitoring system'.

Superb !

'The Commission shall summarize the information'.

Again remarkable ! All these things are very good, and there is no reason why Parliament should deny the Commission in its proposal that the Council shall take steps to monitor. This is sensible and so one can support it. But coming back to this particular proposal which has been dealt with by Mr McDonald. I cannot believe that Parliament will consider passing it because it is too vague.

What has really happened is this : the Commission has, not yet made up its mind as to what its competition policy in relation to sea transport is going to be. It is 22 years since Article 84 (2) of the Treaty came into operation which laid down :

'The Council may, acting unanimously, decide whether and to what extent and by what procedure provisions may be laid down for sea and air transport'.

Twenty-two years ago ? This is a long time for gestation on the part of the Commission. It has not even produced proposals yet for competition as applied to sea transport. Now surely, it is far better for the Commission to start now, after these eons of time, in making up its mind what to do about the application of rules of competition to sea transport before it decides what to do about the code of conduct. If it does not know what its own mind is, or what its proposals are going to be, how does it know where these are going to conflict with the code of conduct ? It has already expressed some dismay at them ; it does not like the 40-40-20 quota rule because that seems somehow to go against free competition. It has an

uneasy feeling in its gullet that something is wrong somewhere but it has not made up its mind how to deal with it. So it is using this code of conduct as a lever to get itself into the argument while it makes up its mind. Now, the legislation that comes before this House should be precise in nature ; it should be closely argued ; it should be supported by adequate time and the date for its coming into operation should be stated. Everything should be clear instead of the miasma of 'ifs' and 'buts' which litter this proposal. I discussed this matter with my group and told them that, on the code of conduct 'x-nations have agreed to it, a number of other nations have disagreed, a number of other nations so far have abstained, so as far as I am concerned, everybody can vote which way they like' ; which goes right the way across the political spectrum, and in which each Member can disregard his political affiliations and consider only his status as a Member of this Assembly. Whichever way they vote is immaterial, because it has not got a hope in hell of getting Council's agreement anyway. I hope the way they will vote will indicate to the Commission that this is not the kind of proposal that should ever be laid before Parliament at all. It is ill-digested and should have been preceded by the announcement of a proper Community competition policy in relation to transport and indeed, if we want to enlarge it at all, by the articulation of any transport policy within Europe upon which they are agreed, because at the moment, there is no agreed transport policy. And some of us wonder why there is even a separate department to deal with it.

President. I call Mr Damseux to speak on behalf of the liberal and Democratic Group.

Mr Damseaux. — Mr President, Commissioner, dear colleagues, a year ago Mr Seefeld presented a report on the problems of maritime navigation on a Community level. Today, at the beginning of his explanatory statement, Mr McDonald takes over a central idea put forward at that time by Mr Seefeld : the necessity of making world commercial responsibility and world responsibility in navigation policy converge. If this idea commands attention today — and this has not always been the case — if the Committee on Regional Policy, Regional Planning and Transport, of this Parliament has adopted this principle, it is essentially with the aim of guaranteeing the economic — and commercial potential of maritime navigation.

A most evident element of this need to unite commercial and navigation policy is certainly the parasitism on world navigation of the free circulation, on the one hand, of buccaneers under flags of convenience and, on the other hand, of racketeers from the state-trading countries. This parasitism is not serious, and you only have to speak of it in our most important harbours to realize not only its present incidence but also — and this even more serious — the accentuated threat for the future.

Damseaux

Paradoxically, it is interesting to wonder why the proposal of the Commission of 11 February 1978 is not more explicit. The proposals advanced by the draftsman tried to fill the gap, and we think it absolutely necessary to endow the Council with

the right to take measures regarding states having joined the Code of Conduct but whose shipping companies systematically refrain from attending the maritime conferences.

This proposal by the draftsman seem all the more important to us as it is vital to insist to certain states who keep boasting of their democracy and willingness to cooperate with the rest of the world that they should observe the Code.

(F) At the internal Community level we endorse the rapporteur's view that the merchant fleets of the Nine should as far as possible be treated as a single homogeneous Community entity. This is a question of law, but also one of custom, although naturally, when we speak of shipping lines establishing in a country other than their country of origin, we are thinking of companies covered by the provisions in the Treaty relating to establishment. In this connection it is once again primarily a matter of the will of the Member States. It is illogical to lead a crusade for Europe 'hand on heart' on the one hand while, on the other, preserving and encouraging the cutting up of the market by maintaining as France and Italy are doing a 'reservation on cabotage'. Such a protectionist approach is one more stone round Europe's neck and will eventually even weaken the world trading position of these same countries.

On the other hand the rules on competition must be applied and respected. For the purpose of accession to this Convention and although, as far as we are concerned, the means for safeguarding competition are a matter that is still under examination, we think that too many inflexible rules will delay the whole matter even longer. This is why we believe a second paragraph should be added as the rapporteur has suggested to Article 6 of the Regulation with the wording given in the report:

'the Council shall, on a proposal from the Commission, adopt a regulation on the application of the Community's competition rules to liner conferences which are subject to the Code of Conduct. This regulation shall enter into force at the latest on the day on which the Code of Conduct becomes binding on Member States after the joint depositing of the instruments of ratification or adhesion'.

Consideration of this United Nations Convention on a Code of Conduct for liner conferences induces me to raise three questions of a political nature: relations with the developing countries, relations between industrial countries and European unity.

On certain conditions the setting up of the convention can offer safeguards to the developing countries, while preserving the interests of the fleets of the industrialized countries. Nevertheless — we have been

acquainted with this problem since the days of de-colonization — it is not easy to promote both aims simultaneously: that of consolidating the achievements of the one group and ensuring the development of the other. As the rapporteur rightly observes, competition has to be regulated without giving the public authority total control over transport. The industrialized countries have taken an important step in favour of the developing countries by applying the 40:40:20 formula for sharing cargoes among a pool. Admittedly we shall not know how reliable the convention is until it has been in existence for some time. But it will be a good test of relations between the industrialized and the developing countries outside the conference room.

For the industrialized countries this is an opportunity to prove by actions that they are determined to reject any fratricidal trade warfare. We consider it essential to safeguard conditions of free competition by authorizing the Commission to negotiate an agreement with the Member States of OECD who are not members of the European Community, and this is the object of Article 5 of the proposal for a regulation submitted by the Commission.

However for us everything depends on European unity. As Mr Prescott pointed out in this report on shipbuilding, the very divided — not to say conflicting — positions adopted by the Member States during the vote in the United Nations is an example of the kind of irresponsibility with which Europe can well do without. Therefore, I endorse wholeheartedly the amendments to the Commission's statement which stipulates that instruments of ratification or adhesion shall be deposited jointly when — and only when — the last of the Member States has ratified or acceded.

Having considered these three technical points and three political points the Liberal and Democratic Group intends to vote in favour of Mr McDonald's motion for a resolution.

President. — I call Mr Seefeld.

Mr Seefeld. — (D) Ladies and gentlemen, I do not wish to prolong this debate unduly. However, I have been dealing with shipping policy questions in this House for many years now, and I have one or two comments to make. All those who have for years predicted that a European Community open to the outside world, and dependent on imports and exports, also bears a special responsibility for the world economy and therefore must develop a common shipping policy, cannot but welcome the prospect of the Community's taking a first definite step in this direction. Unfortunately we have to admit that, as in so many other fields, the Community did not take the initiative. We are being forced to act. In this case the pressure was exerted by UNCTAD, the United Nations Conference on Trade and Development.

Seefeld

The developing countries felt hampered in their shipping policies by certain practices of the liner conferences. The Community as such did not take part in the negotiations on the code of conduct, and there was no coordination of the positions of the Member States. When UNCTAD brought the negotiations to a successful conclusion, the Community's reaction was therefore all the more confused. You will recall that some Member States wished to ratify the code, while others were against, yet others were undecided and some had not even taken part in the negotiations. The Commission takes the view that on the one hand the code is incompatible with the EEC Treaty, while on the other, the Community should ratify it. You also know that the Council has decided on the consultation procedure on shipping, but only in respect of relations with third countries and in no way related to our own shipping problems.

The Community will be forced to repeat its confusion time and again unless a minimum of agreement on the fundamentals of shipping policy is reached and confirmed by the Council. You do not need second sight to predict the next aspect of shipping policy which is going to catch the Community unprepared as the UNCTAD code of conduct did. In fact it is already on us. The Amoco Cadiz disaster has clearly demonstrated that certain basic safety measures to govern navigation simply do not exist. Suddenly we hear Members of the European Parliament shouting for concerted measures to protect our coasts — the same members who not so long ago were voting against the resolution submitted by the committee responsible calling for a common shipping policy, including precisely those measures which would have prevented the Amoco Cadiz disaster if they had been introduced at the time.

After the problem of sub-standard ships there is the even wider problem of flags of convenience. If our reaction to the Amoco Cadiz casualty is piecemeal and uncoordinated, it will not be long before there is another disaster. If our reaction to the UNCTAD code of conduct is uncoordinated, we shall soon be defenceless against the discrimination which is becoming more and more prevalent in world shipping. The UNCTAD code will not protect us against flag discrimination using the 50-50 formula, not to mention the 100-0 formula practised by the State-trading countries.

How can the Community meet third countries with a credible programme if the Community's own shipping industry is not yet free of all discrimination, and competition is still distorted by differing technical, social and tax legislation?

I thought I should make these general comments as I feel this is an opportunity to draw attention once again to the overall problem of sea transport, and call for more progress to be made in this important sector of European transport policy than has been the case in the past.

In conclusion I should like to make the following points. The Commission proposal can be described as evenly-balanced. I assume that the Commission has attempted to cater for the interests of all the Member States, on the one hand those in favour of the code who feel that, with its aid, a maximum of freedom for the shipping industry can be retained. To them, the Commission says that all Member States and the Community itself should ratify. To the governments which have been sceptical in the past, the Commission says that, with the code, we shall merely be giving a helping hand to the developing countries. There will still be free competition among the traditional shipping countries, and to this end negotiations will be opened with all OECD countries to obtain their agreement not to apply the code fully amongst themselves, at least in respect of cargo sharing. Another objective is to ensure that the new rules which the code will seek to apply between Member States do not contravene the rules on competition and on the right of establishment contained in the EEC Treaty.

I welcome the fact that we are discussing at least this aspect of shipping policy here today, and finally I should like to say that the commercial interests of the Community and its credibility require us to demonstrate our capability to act on this question of world importance, and require that the Community accede to the convention on the code.

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

Mr Osborn. — Mr President, this is a very important debate dealing with a very intricate and difficult subject, and on behalf of the Conservative Group I congratulate the rapporteur, Mr McDonald, on this report. As far as they go, I also welcome the proposals of the Commission in this very difficult and complicated commercial field, where there are interacting forces, and hope that after this debate, and other discussions it has had, it will be able to put forward proposals acceptable to the Council of Ministers for some form of implementation.

These proposals affect different countries in different ways. With regard to tonnage of registered shipping, 36% of the liner tonnage in the Community is registered in Great Britain. There are other trends of a national or international interest: some have been dealt with in our national parliaments, certainly in the British Parliament. One is the problem facing the shipbuilding industry, which has been very ably dealt with in past reports presented to this Parliament. Obviously my own country has assisted the shipbuilding industry, and two countries, India and Poland, have benefited from what competitors to the shipyards would describe as beneficial terms. This is one way of giving assistance or aiding unfair competition from

Osborn

developing countries to the established shipping operators, and it is one way of giving state-trading countries an advantage, even though they may not have an advantage altogether. Consequently, whereas conventional shipping interests three or four years ago were rather doubtful about the liner code and the intervention of the Community, attitudes — and I have certainly sensed this — have changed. Obviously there are difficulties, not so much in principle but in the implementation of the 40-40-20 principle. If a ship is in a port by the normal processes of brokerage, if goods are to be shipped at a certain time and a ship is there to do it, then to bring in bureaucratic or official bodies to do this must complicate the work, and obviously there are shipping interests who decry rather than encourage the growth of maritime commissions.

Therefore, if the Conservative Group gives a warm welcome to Mr McDonald's report, it certainly supports Mr Stetter's two amendments, and I think I should stress on the Group's behalf that it realizes that various alternatives which have been and are being considered by the Commission are alternatives which are no better than ones already available. One is an accession to the UN code convention without any major reservations; another, put forward by Great Britain, is that because of the shortcomings of the UN code, alternative arrangements be developed to deal with liner policy problems; and a third are compromise proposals from the Commission for a new basis for EEC Member States' adherence to the present code. These have been discussed in detail, but on the whole my group share the view that a strengthening of the Community's action in the field of maritime transport must be a principal concern at the present time, and the foundation for such action against, say, East European shipping concerns must be a common standpoint.

There are a number of questions to be raised, and I would ask, firstly, what calculation the Commission has made of the effect of its proposal on Community shipping and employment in this sector. Then, what is the attitude of the applicant States, particularly Greece, the code? What view does the Commission take of the enforceability of a code once it has entered into force, and what action does it propose to take account of those shipping concerns mentioned in Article 8 of the Commission's draft?

This is a difficult series of proposals: obviously many parties must agree to them, and the Conservative Group would wish to give them support, as these proposals are better than any of the alternatives.

President. — I call Mr Prescott.

Mr Prescott. — Mr President, I think the speeches have reflected the complexity of this problem. We have discussed it in a number of reports, one of which was mine two months ago, dealing partly with liner conferences but making the essential point that one has to consider this matter within the policy as a

whole — that is, you cannot decide a shipping policy without a shipbuilding policy, and you cannot decide either without the determination of a trade policy. They are all interdependent units, and that is the way you have to look at it. Of course this proposal by the Commission in fact tends to present us with a compromise, and I shall say something about that in a minute.

I have agreed with a lot of what has been said, and especially by Lord Bruce, who I think very pungently made the essential point about the principles involved in this proposal. I also wish to congratulate the rapporteur, Mr McDonald, on presenting a report on what is an extremely complex matter without enjoying the advantage of people like myself whose industry is the shipping industry and who have spent a considerable length of time with it. He has grasped the essential contradiction in the Commission's proposals in that the desire is to ratify the convention and have the goodwill but to make it conditional on rules of competition, whatever they mean at the moment. This almost reduces it to nonsense and certainly will be a delaying factor. The very act of ratifying the code makes one almost in breach of the provisions of the Rome Treaty: embodied in the liner conferences there is the principle of organizing world shipping, which says that those with shipping interests will carve up the trade among themselves on some kind of formula, they will fix prices and allocate traffic regardless of commercial criteria. That is what liner conferences are about. The United Nations conference was saying that there is an argument for organizing trade, but we wish to know more about it, we wish that the shippers themselves should have greater influence over the price-determining factors, and that the Third World too should be given an opportunity to develop its shipping trade, but the essential feature of the 40-40-20 formula which came out of UNCTAD — some countries here signed the convention and others opposed it — is a principle which in effect controls and regulates the trade in shipping. That, as a principle, is in clear conflict with the principles embodied in the Rome Treaty. Some nations signed the Convention, and I supported their attitude; some nations, like my own nation, opposed it, and I deplored their attitude, which was that of just nakedly defending a vested interest — and my interest in that sense as a seaman, is a great as anybody's. If we do not recognize the right of the Third World to have some share in the trading of shipping and traffic, then the consequences will be what we have witnessed with oil. They will combine to freeze us out of industry, out of shipping and trade, developed and encouraged by the development of flags of convenience and state-trading shipping companies, and we must recognize that as a fact. Therefore, we must get ahead of the game, and recognize that some form of organized control in this field is an inevitable part of world trade, as it is becoming increasingly with steel, textiles, ship-

Prescott

building, aircraft manufacture; all manner of things now are undergoing a more organized form of production. We must recognize that the liner conferences as traditionally operated, have been very much undermined by the Third World demands, by the increase in traffic from flag-of-convenience countries, and the sat-controlled countries. What the Commission has sought to do here is to say: there is a division among the Community nations, we are going to ask you to ratify the convention, having already taken them to the Court for actually signing it. We are not going to implement it, because the conditions they are going to lay down will lead to such a time delay as to defeat the purpose and the goodwill in ratifying it.

I encourage and support the Commissioner's desire to see that the Community nations ratify this convention. Bear in mind one important political point. The condition of this Convention when adopted in 1974, was that in order to become operable, 24 nations should have signed it, and be responsible for 25 % of world tonnage. What has happened in those four years is this: 25 countries have signed it, but they are only responsible for a little over 5 % of the world tonnage, and at this speed there is no possibility that the Convention will be implemented. The political point we should bear in mind here in the Community is: if all the Community nations ratify this Convention, they are responsible for sufficient world tonnage to make this whole code operable. Community nations are in the position of either stopping this Convention being ratified, or actually implementing it and seeing that it does in fact work, as agreed by the nations in 1974. But if this is the formula by which the Community carries out its obligations to the Third World, then I am bound to say that the conditions it imposes almost effectively mean that, even if you were to follow through the conditions for ratification laid down by the Commission — which are: one, that there should be some agreement with OECD, which by the Commission's own analysis be at least two years, if everything goes fairly. Two secondly that somehow one should observe the principles of the Rome Treaty and the rules on competition — then frankly, it is at odds with what went on in the past, and it is at odds with the UNCTAD formula. You would be in the crazy position, as pointed out by Lord Bruce, of ratifying a convention which in fact you are refusing to ratify because it does not come in line with the Rome Treaty. I do not know how you would get over that dilemma. What I am more concerned about is that there is no indication from the Commission what its rules of competition are, and if they are as interpreted by the Legal Affairs Committee, then the whole UNCTAD conference cannot be ratified, and we are heading into quite a crazy situation. So to that extent I think there will be a great loss of goodwill from the Third World. If we prevaricate as we are doing at the moment, we will have prevented the ratification of this particular convention, and I think that would be a very sorry state of affairs indeed. If there is

a political position to be adopted, it surely is that we find a way to ratify so that Europe can have made a contribution to helping the Third World get some share of its own traffic, and develop some of its own shipping trade.

But one massive assumption in this is something that I find very difficult to accept. If all the world, in an UNCTAD conference, could not agree after months and months and years and years of discussion, and if the Community itself is split on the principles, why is it envisaged that the Community can negotiate an agreement with OECD nations? It cannot even get an agreement in the EEC. To assume that you can make an agreement in those conditions is really preposterous. You do not have the resources, as we constantly hear from the Commission. It really cannot make any substantive headway, and there will only be further delay. So what should be the course of action. I will tell you. The course of action is the one I have advocated before. The Community is in a good position in one respect, and let me say, as no great defender of the Community as an institution as such, that I believe it has one advantage in this field. Certain nations have got themselves identified, and particularly Britain, with being against change, with wishing to keep their interests, and with not being prepared to cooperate in transforming the balance of trade and influence and wealth. It is not prepared to do that. Now the Community can call for the reconvening of this conference, and ask for another formula to be considered. In this way, you produce formula to help the Third World and not one that helps the developed world, and there is one way in which we could effectively do it.

I think there is an alternative to this mish-mash of proposals that we have got before us now. But do bear in mind that policy needs to be interdependent as between shipping, shipbuilding and trade. Do convene the conference as an alternative way out of this particular deadlock so that a formula can be accepted by all concerned, rather than the 40-40-20, and recognize that really, if you are going to organize world trade in this way, the Rome Treaty is irrelevant to it and that unfair competition only complicates the matter. I want to say to the Commissioner: if you recognize its interdependence, please get together with Mr Davignon. Do not let the shipbuilding industry say 'please protect us in trade matters against unfair competition,' and then say we will buy our ships from the cheapest nations possible because that is free competition. The two Commissioners should get together, think out a proper policy with all the variables concerned, and then come forward with the proposals, other than this which is committed to failure from the beginning.

President. — I call Mr Jung.

Mr Jung. — (D) Mr President, now that the Code of Conduct for Liner Conferences has been a major subject of discussion for over three years, we welcome the Commission proposal, with its specific recommendation of ratification and accession, as the first expression of a positive attitude to the Code of Conduct, even with the individual reservations contained in the proposal for a regulation. At last a solution can be found for problems such as membership of the conferences, relations between shipping lines and shippers and the procedures for altering freight rates and settling disputes. I ascribe particular importance to the fact that ratification of the UN Code on Liner Conferences by the Member States of the European Community is an important step towards a settlement with the USSR limiting Soviet competition in liner shipping, as the code lays down formulae for cargo sharing. As a matter of principle we are in favour of the earliest possible entry into force of the UN code, as the alternative can only be a further swing to bilateralism, which none of us want. The Convention limits unilateral legislation and related government intervention to an absolute minimum. The Member States of the Community are now in a position to decide whether or not the code shall come into effect throughout the world. The European Community thus has a special responsibility, as there is no doubt that others will be drawn along in the wake of the EEC shipping countries. To date the agreement has been ratified by 25 States, but the tonnage they represent is insufficient to bring the Convention into force. If the EEC tonnage is added, the 25 %, or approximately 13 million gross register tons, will be reached. Of course we know — and several speeches today have confirmed it — that there is still resistance to the Convention even within the Community. Here and there, there are those who believe that the problems of present-day international shipping policy can be solved even without the international guidelines incorporated in the Convention. Some fear that they will be squeezed out of established trades. I should simply like to point out that the sole alternative for the expanding merchant fleets of the developing countries is the conclusion of great numbers of rigid bilateral navigation agreements backed up by protectionist legislation which is just what we do not want.

My group feels that this development, which represents a grave threat to world trade as a whole, can and must be prevented by the rapid entry into force of the United Nations Convention on a Code of Conduct for Liner Conferences.

I should like to draw attention to another aspect of the subject. Shipping companies need a firm basis for their planning. The UN Code on Liner Conferences would provide just that. Seen in this light, ratification of the Convention is also necessary if there is to be greater investment, not only by shipowners but also by ports in modern transport technology, for there

must be agreement on the difficulties before competition can be resumed on a new basis. I should like to add an appeal to the Council of Transport Ministers to reach a final and positive decision at its next meeting on 12 and 13 June in Brussels. I regard this as highly important to the European Community, especially in view of my last point.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, Parliament is debating two matters: the draft resolution from the Committee on Regional Policy, Regional Planning and Transport, and Mr McDonald's report on the UNCTAD code of conduct. I shall start with the resolution.

This draft resolution from the Committee on Regional Policy, Regional Planning and Transport on our proposals for a decision on State-trading country liner shipping is brief and to the point. I need not take up much of Parliament's time in commenting on it. The Commission greatly welcomes Parliament's support for its proposal. The Commission's view, shared I believe by a majority of Member States, is that the time has come to show that the Community is prepared to defend its legitimate interests in worldwide sea-borne trade against practices of a non-commercial and aggressive kind in cargo-liner shipping from certain State-trading countries, in particular the Soviet Union. The proposal is for each Member State to set up a monitoring procedure enabling it to keep track of the activities of State-trading country shipping and for the output of those monitoring procedures to be reviewed regularly by the Member States and the Commission together so that the Council could thereafter be able to decide at any time on the joint use by Member States of their own national counter-measure powers which might for instance allow them to impose quantitative restrictions on the activities of East-bloc shipping in their ports. I believe that the Danish Presidency-in-Office proposes to put this subject on the agenda of the June Council of Transport Ministers and I sincerely hope that sufficient political will will be demonstrated to get the proposal accepted. I am very grateful therefore for what I presume to be Parliament's support in this important matter.

Coming now to the report on the UNCTAD code, I would like first of all to congratulate Mr McDonald on his report and the clarity of his presentation, and to commend the other speeches in the House for the interest shown in this important matter. As Parliament knows, the Commission's proposal is essentially that Member States should ratify the UNCTAD code of conduct subject to a number of special arrangements designed to reflect the special nature of the Community and to preserve a substantially commercial approach to liner shipping in the OECD. Specifici-

Burke

cally, the Commission proposes that in respect of any given Member State, national shipping line status should be given not only to native shipping lines of that State but also to other Member States' shipping lines established under the Treaty in the State in question. This widening of the definition of national shipping line is necessary in order to reflect existing Treaty freedom. The Commission is also proposing that Member State shipping lines in conference should divide up conference cargo among themselves on the normal commercial basis rather than on the basis of the 40-40-20 cargo sharing formula of the code. The Commission is here proposing the continuance of a commercial approach to cargo sharing which has worked well in the past and tends, in the Commission's view, to foster the supply of efficient and economic shipping services by conference member lines. The Commission proposed further that this commercial approach to cargo sharing should be extended to other OECD lines in conferences serving OECD countries. If this is done commercial criteria would continue to function for allocation among shipping companies of up to 90 % of world liner cargo. If the Code of Conduct comes into force, it could help to check the current trend towards bilateralism in liner shipping — a point mentioned a moment ago in the last contribution — which tends not to be in the Community's interests. Developing countries would be able to fulfil their aspirations to build up their fleets to carry up to 40 % of their liner trade if they wish. At the same, under our proposal, efficient commercial principles would continue to guide the allocation of conference cargo among individual OECD conference members.

I am very pleased that the Committee on Regional Policy and Transport has given its support to the Commission's proposal. The draft resolution proposed by the committee is acceptable to the Commission, and I might perhaps confine myself to picking up two or three specific points from this draft. Paragraph 7 of the draft resolution addresses the question of the relationship between the Commission's code proposal and a future regulation applying the competition rules of the Treaty to shipping. Here the basic need is to avoid inconsistency, by the Council's having made clear on a proposal from the Commission, and before the code of conduct enters into force, that the type of liner conference envisaged does not offend against the competition rules of the Treaty. A draft regulation on modalities for application of the Treaty's competition articles to shipping is already being prepared under the authority of my colleague Commissioner Vouel, and I hope that it will be ready reasonably soon. Paragraph 8 of the draft resolution refers to flags of convenience or open register countries, to sub-standard ships and to practices of State-trading countries in liner shipping. To take the last point first, the Commission has, as we know, presented to the Council a draft decision designed to set up an instrument capable of being used, as I have mentioned a

moment ago, to prevent unjustifiable damage to our shipping interests from uneconomic behaviour by certain State-trading countries. I hope that the Council will adopt this decision in June, and I echo the points made in Parliament in this regard. As for sub-standard ships, honourable Members will have noted that these are covered in the array of proposals which the Commission has already sent to the Council following the Amoco-Cadiz accident.

The Committee also proposed a number of detailed amendments to the text of the Commission's proposal. I am grateful for the thought given to these. The Commission's proposal is currently being discussed intensively in the Council framework in the hope that the Council will be able to take a final decision on this matter before the end of the year. I do not think, therefore, that it will be practicable for the Commission to reflect the Committee's drafting amendments, in formal amendments to its proposal under Article 149, Section II. However I can assure the honourable Members that the Commission will seek to cause the final text of the proposal to take account of as many as possible of the points proposed by the committee. Finally, Mr President, a word on how this dossier is likely to develop from now on. The code of conduct will be on the agenda of the June Council of Transport Ministers, and I hope that Ministers will then agree that discussions should be organized with other OECD countries about the extension to their liner companies of the principle of commercial arrangements within conferences concerning cargo. These discussions will need to be conducted with sufficient dispatch to allow the Council of Transport Ministers likely to be held in November to decide whether the Member States should finally ratify the code with, I emphasize, the safeguards we have proposed. If they do, we shall have seen a considerable step forward in Community shipping matters.

In the course of the debate, quite a number of very interesting contributions were made, and I could not possibly deal with all of the points. However I shall attempt to clarify some. Lord Bruce spoke about the fact, as he put it that 'Belgium, France and Germany had ratified the convention code'. In fact, they had signed but had not ratified, because we in the Community intervened. Why? Because the actions of these Member States were taken in a unilateral fashion, and in any event the EEC cannot accede until it is amended. As I have mentioned before, we have proposed special arrangements to bring it into accord with the Treaty. Lord Bruce also gave us the benefit of his knowledge of United Kingdom legislative practice and spoke eloquently about appointed days. I too know something about this particular legislative matter, but I would point out to Lord Bruce that what we are dealing with here is a decision about an international convention which contains its own provisions about entry into effect, so it seems to me to be impossible to speak in the context of this international

Burke

convention about an appointed day, when we consider that it has its own provisions about the entry into effect anyway.

A number of Members have spoken about competition and such matters. I would like to remind the House that over the years the Commission and the Community in dealing with third countries on commercial and economic matters has sought to get provision against flag discrimination written into those agreements. It was possible to get some rather weak arrangement with some two or three Latin-American countries, but generally, in those days, our Member States were most reluctant to see shipping dealt with under commercial policy or under the other Articles of the Treaty, because they thought that Article 84 completely excluded shipping until the Court said that the general articles did apply. I will remind the House that the UNCTAD code was being discussed at approximately the same time that the Court had handed down its decision — I refer to the year 1974. Of course, the Commission went to work immediately. Therefore I would find it difficult to accept Lord Bruce's statements that the Commission was not able to make up its mind about when competition rules would enter into effect. He mentioned 22 years. For the reasons given, I do not think that that is valid. As I say, I was in 1974 that the Court decided that these general rules applied to the sea and air sector. As I mentioned, before that point Member States' governments held that the general rules did not apply.

I would also like to refute — I have had this before today at Question Time too — suggestions that our proposals are not clear and concise. I would reject categorically any statement that we are dealing here with a miasma, or mish-mash, or any such term being used about these proposals. These proposals are absolutely clear. I would ask honourable Members, particularly with UK experience, that they should not see this matter solely through their experience of those affairs. We are after all dealing with a Community reality which brings to bear on this matter experiences other than those which some honourable Members are very familiar with. But I also say that the UNCTAD convention on international trade is firmly based in the commercial sphere. Liner conferences are open to outsider competition — that is, from outside our own common market. There is competition from other conferences on alternative routes. There are possibilities, for example for motor manufacturers, to charter ships. There is in fact quite a lot of competition in this area. I would therefore ask honourable Members to have regard to these points when they are coming to a decision on this matter.

I would like briefly to refer to the questions posed to me by Mr Osborn. I think his first question was, what did we consider would be the effect of our proposals? Obviously, we consider that the effect of the proposals would be the best that we could achieve for the commercial interests of our own shipping. His second

point related to Greece. I would point out to the honourable Member that Greece has not adhered to this code, but in any case, as he probably would remember, Greek shipping is largely in bulk and not in liner trades, and therefore, having that in mind, perhaps he would realize that this does not apply as much as might otherwise be thought. As to the third point he made about the enforceability of the code, it would probably be enforced by the developing countries themselves, for, under the proposal, our OECD countries would be outside the cargo-sharing arrangements. The enforceability, such as would evolve, would thus be enforced largely by the developing countries themselves. In regard to his last point, about Article 8, I would point out that the code provides for a revision conference at a later stage, but I would stress 'later stage'. This is not scheduled to operate now, but is for a future time. But we think it important that even at this stage we should give some thought to making general provision for a future eventuality such as that.

May I then briefly refer to the last contribution made and echo very strongly the point made by Mr Jung: that is, that he would hope that this code would enter into force as rapidly as possible? I noted in passing that in taking this line he contradicted Mr Prescott, who I think suggested that we should delay matters. Mr Prescott, I think, suggested that there should be a reconvening of the conference, which, in my personal view, is tantamount to a delay. We can agree to differ on that point, but if that were the case, then he would be taking an opposite point of view from that of the honourable Member whose name I have just mentioned. Could I repeat what I have already said, that liner conferences are commercial phenomena? I have already explained how competition operates for these. May I also say, in relation to what Mr Prescott said when he spoke about consultation, that consultation with shipping interests has been most extensive? I have personally involved myself with shipping interests in a number of countries in the last 12 or so months. I know the Member is not complaining, but I think it is important to say that, whereas I thought he said that consultation had not been extensive, I want to point out that it has been so. May I say that the result of our proposals is to try to ensure that there are fair and beneficial conditions for developing countries while we try, in the OECD area, to preserve our commercial practices? For the developing countries, there is obviously the political satisfaction that their code, the code which they have largely drawn up, becomes hopefully a world standard. Now this, if it is achieved, in the light of what Mr Prescott said about relations with developing countries, is a not insignificant advance.

With regard to the rules of competition, I would make it absolutely clear to Mr Prescott that the Member States — and this is obvious, but I say it anyway — are obliged to observe the Rome Treaty. There is no question about it. But the important thing to

Burke

remember here is that what we are trying to do is to get our own countries into line before we try to achieve an OECD solution, and therefore, with respect to his view, I would have to say that it is not my judgment that, as he urged, we should reconvene the conference. I think that would involve delay which, as other Members have said, would be an undesirable thing. What we now ask for is a mandate for negotiation. We need this mandate to go forward. May I say to Lord Bruce that this is not similar to an experience of the government of his Member State, which can take initiatives? We have to seek a mandate to go forward to negotiate, and it is in that spirit that we ask you, to support the attitude taken by your Committee on Regional Policy, Regional Planning and Transport and give your full support to the proposals before you.

President. — I call McDonald.

Mr McDonald, rapporteur. — Mr President, I would just like to thank my colleagues for their very constructive speeches during this debate, which certainly proved very interesting. Perhaps I might take the opportunity of referring to some of the points raised, especially those raised by Mr Stetter, who has a couple of amendments down.

Mr Stetter asks that full freedom of movement of services be established by this article, and the Commission's intention in this article is only to make a code of conduct compatible with Community regulations on freedom of establishment. Freedom of establishment already exists within the Community for ship-owners while, so far, free movement of services is not permitted for sea transport. Articles 61 and 84, which Lord Bruce read for us and were also mentioned by Mr Prescott, clearly show that in the EEC Treaty. It is not necessary to bring forward the question of freedom of movement of services for sea transport in Article 2 of the Commission's proposals, as Mr Stetter's demands are met in the Commission's proposals in other articles. In Article 3, it is clearly stated that shipping lines for all Member States share in common all traffic from these States. Another argument against Mr Stetter's first amendment is that while there is no Community regulation for all other sea transport, full freedom of movement of services cannot be applied for the liner conferences. On Mr Stetter's second amendment, I think he feels that the three criteria he wishes deleted are not compatible with commercial principles. Against this, it can be said that discussions between ship-owners of different shipping lines would of course particularly include the three criteria laid down in Article 3 (2). In using the term 'particular', the Commission does not exclude other criteria which might be those which Mr Stetter has in mind. The amendments tabled should therefore, I think, be rejected in plenary session, as they were in committee.

Might I say that I was somewhat surprised to listen to Lord Bruce, because I feel that that kind of speech should have been made in the first place at our committee meeting, at which he had an opportunity of doing so? I think the Commissioner himself answered the points he raised. I am grateful to Mr Damseaux for the points he raised, and also to Mr Seefeld, who gave the House the benefit of his very wide knowledge in this field. I want to thank him for his interesting and helpful contribution. Mr Osborn, too, whose points were taken up by the Commissioner, has over the years made quite a contribution to the progress that the Committee on Regional Policy, Regional Planning and Transport has made in this particular field. Mr Prescott has, I think, been in the forefront of keeping the pressure on the Commission to come forward with proposals such as these.

I would say to the House and to those who are perhaps looking for an ideal solution that I think the proposals of the Commission, as I have said earlier, are a compromise, and I think the Commission has shown great tact in putting forward this proposal, which will no doubt be of tremendous benefit to the shipping in the Community. To those cynics in the House who feel that this is not so, is it not better that we should make even a little progress? Or should we just leave the situation as it is, where the Eastern bloc countries are undercutting the entire economy of the Community's shipping fleet?

President. — I note that there are no more requests to speak. The two motions for a resolution and the amendments which have been tabled will be put to the vote during voting time tomorrow.

The debate is closed.

13. *Agenda*

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

Mr Notenboom. — (NL) Mr President, on behalf of the Christian-Democratic Group (EPP) I would ask you to delete from the agenda the discussion of the oral question with debate (Doc. 69/78) by Mr Bertrand and others, including myself, and hold it over until June. My reasons for making this request are, firstly, that this topic should be debated by a fuller house and, secondly, that this evening's agenda is so heavy that the sitting would go on after midnight if I did not make this request. And if the Commissioner is willing — and I believe he is — to provide the document required quickly, no harm would result from a delay of one month. I would, therefore, ask you to delete this item from the agenda.

President. — Are there any objections?

That is agreed.

14. *Directive on home study courses*

President. — The next item is the report (Doc. 82/78) drawn up by Mr Guerlin on behalf of the Commission of the Environment, Public Health and Consumer Protection on

the proposal from the Commission of the European Communities to the Council (Doc. 256/77) for a directive on the protection of participants in home study courses.

I call Mr Guerlin.

Mr Guerlin, rapporteur. — (F) Mr President, ladies and gentlemen, the directive which is the subject on the report which I have drawn up on behalf of the Committee on the Environment, Public Health and Consumer Protection will not require very lengthy discussion. I therefore hope that I shall not have to detain you for long at this late hour.

This does not mean that the subject is not an important one! We are all aware that in the modern world problems of education are playing an increasingly important role and anything connected with people's education should be of great interest and concern to us. The question of home study courses is one in which everybody must be interested but the subject matter is not very complicated, in fact is relatively straightforward.

What is it all about? In view of the proliferation of establishments offering home study courses the main object, and I need hardly say that this was what my committee was primarily concerned about, is to protect the consumer, a consumer particularly in need of protection since he is often ill-informed and simply interested in adding to his studies.

A second objective is to harmonize European legislation, to bring European law into operation, to avoid any distortion within the Community.

Obviously, as I have just said, our primary aim is to protect the consumer. We welcome the Commission's text, in which great attention has been paid to ways of protecting the consumer against often misleading or overpersuasive advertising by means of rules on advertising and provisions on the signing and termination of contracts. The Commission's proposal contains a whole series of provisions with which we are entirely satisfied.

But I think that the main thing is to guarantee the quality of these courses. It seemed to us that what was needed above all was us to make it compulsory for these organizer to furnish proof of their competence and therefore to institute some form of official accreditation system. The Commission has proposed an optional accreditation system. This is the only point on which we did not agree with the Commission

since we thought that, if accreditation were optional, the protection afforded to the consumer would be inadequate and uncertain and that this accreditation should be made compulsory instead.

The Commission was concerned, as we understood perfectly well, with constitutional considerations. Holland has freedom of establishment written into its constitution and the Commission was afraid to make the accreditation obligatory because this would be contrary to Dutch constitutional law. But from the first discussion in committee we were reassured by the Dutch representatives present that this proposal would not create any problems for their country. Since we were dealing with a point of law we nevertheless consulted the Legal Affairs Committee, all of whose members, including the Dutch representatives, voted in favour of this suggestion.

The Committee on Social Affairs, Employment and Education have also expressed a favourable opinion on this important point. However we have decided to modify the text which we had prepared initially and added a number of provisions stemming directly from this fundamental decision, in particular that which grants course organizers who have applied for accreditation the right of appeal against a decision. This is the object of the new Article 4 (a) which was also adopted unanimously by our committee.

The Committee on Social Affairs, Employment and Education was naturally concerned about the quality of the instruction provided in these courses. It asked us to stress this point and in particular to refer to Articles 57, 117 and 128 of the Treaty of Rome. When I saw the three amendments tabled by that committee I was surprised that it had expressed unanimous support for the proposal. I was surprised that it had not noted that our text expressly referred to Articles 57 and 117 of the Treaty. We are quite willing to add Article 128.

These, then, are the main provisions in this report. For us the important thing was to ensure the standard of the courses and provide maximum protection for the consumer, and this is the object of obligatory accreditation. The text providing for such obligatory accreditation has now been included. This has necessitated a number of minor alterations which I think we can speak about tomorrow when discussing the amendments. For the moment I shall simply emphasize with satisfaction the unanimity expressed in the three committees which have studied the proposal.

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

Mr Jahn. — (D) Mr President, we have only a few comments to make. As you know — you were present on the occasion — in paragraph 13 of its Resolution of 8 February 1972 on youth and education policy within the framework of the European Communities

Jahn

Parliament called upon the Commission to ensure that home study courses and education via the new audio-visual media were developed in the interests of the younger generation and not allowed to be misused for speculative purposes. This point was raised by Mr Hougardy in the own-initiative report he produced on behalf of the Political Affairs Committee. I wish to draw attention to the history of the subject, if we are to decide and vote solidly for it today. A lot of water passed under the bridge before we received your excellent report, Mr Guerlin, for which I should like to compliment you on behalf of my group.

Three years after this resolution, Mrs Walz submitted an own initiative report on behalf of the then Committee on Cultural Affairs and Youth on Community regulations for home study courses, document 416/74. In its related resolution of 17 February 1975 — which has led us to the present day — the European Parliament called on the Commission to submit a proposal for a directive within six months on the basis of common criteria laid down by us on that occasion, that is to say official inspection of all courses, with the award of a State certificate of quality, appropriate training and qualifications for teaching staff, a prohibition of the use of sales representatives, that is to say a ban on selling in the home of potential students, protection of students especially as regards conditions of payment contractual obligations transfer of assets, withdrawal, etc. So much for the historical background.

We must therefore welcome the fact that the Commission has met this request of Parliament, with the revisions and excellent suggestions of my colleague Mr Guerlin. This proposal for a directive — as it mentions — is based largely on the Preliminary Programme of the European Economic Community for a consumer protection and information policy, adopted on 14 April 1975, which provided for measures to educate consumers — which is the case here — and to protect their economic interests.

The Commission was right in taking Article 100 of the EEC Treaty as its legal basis, and we intend to substantiate this. The differing legislation in Member States on home study courses, especially the various kinds of control over organizers of this type of education, may hamper competition between such institutions, and thus directly affect the operation of the common market — an aspect which you yourself, Mr Guerlin, have emphasized. Moreover, regulations on consumer protection still differ from one Member State to the other. We must therefore arrive at a clear definition.

These differences are further widened by the fact that more and more students are taking courses from organizers domiciled in other Member States. According to Article 100 of the EEC Treaty, the relevant legal provisions in the Member States shall be

approximated at Community level. The principle aim of the proposal for a directive is to protect the consumer, that is to say the student or adult using home education provided by a private organizer, from sharp practice and exploitation. In actual practice, the distance between student and organizer makes it extremely difficult to check the teaching material and professional and teaching qualifications of the teaching staff. Teaching material is usually sent to the students only in instalments, and the student is therefore unable to make an overall appraisal of the course. They are therefore unable to assess their chances of success before they have completed the course. Experience has shown that they are persuaded by advertising, by oral statements, by the supply of some teaching material or by other means to conclude a contract for a correspondence course which is entirely unsuited to their level of knowledge or capabilities. This results in the waste of time, money and effort which might discourage them from taking further courses.

The protection for students provided for in the proposed directive will be ensured — as you have emphasized — by compulsory official accreditation of organizers of home study courses, by the provision that contracts for home study courses must be drawn up in writing and contain the essential terms of the agreement, and by the right to terminate the contract within seven days from the date of receipt of the first delivery of teaching materials. I should like to go through the measures first and then sum up.

The conditions are especially important where, as I have already said, the organizer and the student are located in different Member States. This directive is intended to prevent abuse and to fear that the organizers might not be genuine or qualified or might even be dishonest.

Article 8 (2) lists the essential terms which a home study contract must contain. I do not intend to repeat them here. I wonder whether Article 11 (2) is not taking consumer protection a shade too far. It stipulates that the student may terminate the contract after the expiration of six months, without giving any reason, provided that a period of notice laid down by the Member States is given. This could lead to abuse, and penalize the organizers of courses too heavily.

We are entitled to expect, I should like to say in conclusion, a responsible and mature consumer who is of age to make enquiries in advance and examine the contract thoroughly before signing it. If he realizes that he is not progressing as expected, this may frequently be his own fault, as the success of a home study course depends not least on the cooperation, industry and conscientiousness of the student himself. He should not be enabled to evade his responsibilities at the expense of the organizer in this way. I think that this is one point on which we disagree, Mr

Jahn

Guerlin. My group agrees with all the other main points in your explanatory statement. I should like to congratulate you again, and express the hope that this House will adopt your report.

IN THE CHAIR : MR YEATS

Vice-President

President. — I call Mr Meintz first to present the opinion of the Committee on Social Affairs, Employment and Education and, second, to speak on behalf of the Liberal and Democratic Group.

Mr Meintz, draftsman of the opinion. — (*F*) Mr President, Mr Guerlin has already mentioned that our committee approached the consideration of this proposal by the Commission from a rather different angle.

First of all I should like to say that we fully agree with the conclusions drawn by Mr Guerlin on behalf of his committee and that we welcome his report, but also that we strongly deplore the fact that this proposal contains very little of the original spirit of the report drawn up by Mrs Walz three whole years ago, which was in fact the precursor of the Commission proposal which, thanks to it, has now seen the light of day—somewhat belatedly of course!

I think we should be fair to the Committee on Social Affairs, Employment and Education which is the direct successor to that committee which drew up the own-initiative report and to allow it to draw attention to those points which it finds to its regret are missing from the directive, not indeed in order to complain but at least to say that perhaps an opportunity of making a beginning with a common education policy has been missed.

I should like to mention a few points very quickly. First of all our committee regrets that the directive should concentrate exclusively on the consumer. It rather goes against the grain to have to deal with these questions of instruction and education only from this angle, even though we are aware that this is perhaps a good way of tackling the problem: nonetheless, from a certain point of view it seems wrong. There were, however, plenty of points on which to build: in her report Mrs Walz had declared that the whole sector of home study should be integrated into the educational systems of our States. In its education action programme the Commission states that it would be desirable to encourage (for example via the radio and television) the expansion of language teaching outside the traditional school system, especially in connection with adult education. Then there is the communication from the Commission to the Council concerning a regulation on the setting up of a European Foundation for the Improvement of Living and Working Conditions, in which we find in the chapter 'improvement

of living conditions in general' that home-based education employment are among the subjects to be treated.

These are some points, then which would make it possible to adopt a different approach or one parallel to the consumer protection approach. This is why we think it essential here and now to include in the text of the resolution the various articles which we regard as a real starting point for a Community education policy or at least the embryo of such a policy.

This is why I ask Mr Guerlin to understand that from our point of view it is not enough that in the last sentence of his explanatory statement he has referred to Articles 57, 117 and 128 which he presents as the starting point for practical action in the educational field which is possible under the Treaty. We think there should be a reference to this in the body of the resolution. This is why the Committee on Social Affairs, Employment and Education are not trying to put forward the whole of its resolution since it has asked in its opinion that the committee responsible should incorporate in its own text a number of points which the Committee on Social Affairs had set out in the form of a resolution. We are taking up point 1 in our own text and asking that it should also be integrated into the resolution, since after welcoming that resolution unanimously we must nonetheless express regret that the educational aspect is dealt with there solely from the consumer angle.

Two further observations. I shall not bring up all the problems which our committee raised but there is one which was of particular concern to us. In the report by Mrs Walz one of the main recommendations was the introduction of what was called a 'label of quality'. It can be said now, since we are proposing to the committees responsible that there should be obligatory accreditation, that it is pointless to talk about a label of quality and it would be difficult to decide what the criteria should be.

We are convinced however that even with an obligatory accreditation system this will mean an accreditation for a firm, an association, an establishment but this will say absolutely nothing about the individual courses. However it is precisely the actual courses which we are concerned with and which concern the consumer. If, for example, you have an organization which is well-equipped for the preparation of language courses and which for commercial reasons then decides to go in for technical courses the recognition may be totally inapplicable; it will not give any indication of the value of a particular course. This is why we have also proposed that this paragraph in our resolution should be incorporated in the present report in order to include this idea of a label of quality since there are countries where there is no such thing as home study courses — so that people could believe in the value of the individual course.

Meintz

Thirdly, we are all agreed that the accreditation system for course organizers should be obligatory, but at the same time we want to avoid giving those organizations which have until now really pioneered this work the impression that they are being taken over by the State. We do not think that the accreditation should be seen as a kind of nationalization. This is the reason behind the second amendment taken from the text of our opinion, in which we urge that the introduction of an accreditation system should not be seen as a wish to have the State take over establishments in this sector, but only as a desire to protect the consumer.

I therefore repeat to Mr Guerlin that there is no question at all of our objecting to this resolution, but of stressing that these were the main points raised by the committee which is the successor to that which drew up the own-initiative report. We would therefore be pleased if Parliament could follow our lead and insert in the resolution these three points, since that would not alter the tenor of Mr Guerlin's resolution.

Speaking now on behalf of the Liberal and Democratic Group I can completely endorse Mr Guerlin's resolution and the three amendments which I have just presented on behalf of the Committee on Social Affairs, Employment and Education.

The three reasons which would militate in favour of a much more important debate than this one today, for the number of those involved is considerable, are the following :

Firstly, three years ago Mr Scarascia-Mugnozza could state that there were 2.2 million people involved in these home study courses ; and today there are far more,

Secondly, the groups concerned are vulnerable people. Generally speaking they are men who at a certain stage when they were young were frustrated in their educational progress by some family or social event and who are now seeking to improve some aspect of their education. Or they are men and women cut off from educational institutions, such as invalids, immigrants, foreigners and even those in prison.

The third reason why we welcome this proposal and consider extremely important is that with the significant expansion of this kind of instruction, we can expect to find available soon on the market television cassettes which will be a completely new form of home-based education, which will be easy to produce in large numbers and will certainly increase the number of beneficiaries as well as the number of establishments responsible for putting out these courses.

Therefore, we think it essential to ensure protection for the consumer : but while this is very important it is important too that the educational aspect should not be neglected. Some members of my group have asked me to raise once again the problem of constitutionality, but since Mr Guerlin has raised that himself I think we can confine ourselves to asking the

Commission if this problem really exists for several countries. If such were the case my group would be unconditionally in favour of this initiative and we hope that this proposal for a directive will be a good beginning on the way to a common educational policy.

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

Lord Bethell. — Mr President, I am sorry to sow a seed of discord at this late hour in the evening and sorrier still that I was unable, because of illness, to attend the meeting of the Committee on Public Health and Environment when this matter was discussed. Had I done so I would have ruptured the unanimity which Mr Guerlin correctly referred to in his opening speech this evening I can only speak for the part of the Community which I come from, but I have to advise the House that there are strong objections to the directive on principle. The history of this directive has been explained to me and I accept the fact that a number of years ago there were severe abuses of the correspondence course system in various Member States. Our group yields to none in its wish to protect the consumer and to abolish abuses of this sort. The question is : is the Community the right vehicle for such legislation or can it be done more efficiently by national legislation ? It seems to me, on the basis of the representations that have been made and various research that has been done, that the latter course would have been preferable. It is somewhat comparable to the various proposals for directives that have been put forward before this House by Mediterranean States opposing a type of very heavy pollution in one sea area of the Community which is not appropriate to the sea area of another part of the Community. What is appropriate for one area may not be appropriate for another.

Now in the early section of his report Mr Guerlin writes of the large number of people who have expressed reservations about correspondence courses and he has suggested that these people would be less critical if all home-study courses were provided by a public authority. The evidence is that in the United Kingdom there is very little objection to the system as present constituted. A special report on this matter was prepared by a scrutiny committee of the British Parliament, and a committee of all parties, and I emphasize this, interrogated members of our civil service and members of various independent bodies set up to monitor home courses, and came to the conclusion that this directive would not assist the situation in our country and we could not give it our support. I will mention just a few of the objections. It is quite a lengthy document, and I would ask the House to take into account the fact that a committee of a national parliament thought it necessary to convene and to

Bethell

consider a proposal for a directive coming from the Commission. It is rather rare for so much time and attention to be given to one proposal by a scrutiny committee of a national parliament, and it indicates the strength of feeling in my part of the Community about this proposed directive. It is suggested, for instance, by witnesses on behalf of the two independent bodies who have successfully monitored home-study courses in the United Kingdom in recent years — these independent bodies are called the Association of British Correspondence Colleges and the Council for the Accreditation of Correspondence Colleges — that no consultation with them by the Commission took place before these proposals were drafted. I simply repeat what I have been advised and I hope the Commissioner would care to comment on that suggestion. I would also ask the Commissioner to explain how it is that this matter is covered by Article 100 of the Treaty at all. Is he really satisfied that there is a lot of cross-border traffic in correspondence courses and that there would be a distortion of trade if the rules on them were not harmonized? Can he really convince us that this is something which is appropriate to Community legislation? The advice given by officials of the United Kingdom, who of course are servants of a socialist government, is that there is very little cross-border traffic in home correspondence courses. They mention correspondence courses for the wives of diplomats for wives of people serving in the Community overseas, but very little cross-border traffic. I think it is extremely dubious whether this matter falls within the ambit of the European Community at all.

My attention has also been drawn to the clause in the proposed directive where students are enabled to break contracts after a gap of six months. I wonder whether the Commission have thought about the effects of the right on the firms which produce correspondence courses; whether they have considered the planning that has to go into arranging courses, the number of teachers, tutors, correctors, checkers, who have to be engaged on the basis of a set number of students who have signed contracts, and the effect there would be on these organizations if large numbers were enabled to break their contracts after the lengthy period of six months. The Community and various Member States have, rightly I think, taken the view that a cooling-off period is appropriate to deal with what one might call 'high-pressure salesmanship'. If someone sells an expensive item it may be that protection is required for the consumer; within a matter of a few days a consumer may have the right to vary or cancel a contract, but six months seems excessive and it seems a provision which is likely to be extremely damaging to the organizations which provide home-study courses. If that is the case, in the last resort the student — the consumer — would suffer. I realize that is a point of view which may well

be confined to one particular Member State, nevertheless, I must explain to the House that this view is held across party lines in the United Kingdom. It is so strongly felt that a large number of representations have been put to me about the proposed directive, and regretfully I have to advise the House that, when the vote comes, this group will have to vote against the directive.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, I would like to congratulate Mr Guerlin on the report and to wish him well, as I understand that he may retire in the near future, and to give him the best wishes of the Commission for all his work in this area.

I think that I can be rather brief in response to the feeling of the House because I feel there is a very large consensus in this matter. During discussions within the parliamentary committee, the consensus was stressed by the fact that all three committees adopted their respective reports unanimously, and that the different amendments which have been suggested are all more or less on the same line. Now let me first, before commenting on these amendments, remind you that a proposal for a directive was drawn up following a request formulated by the European Parliament itself on February 17, 1975 in its resolution on home-study courses. The Parliament had requested that a Community directive should include the following principles: official inspection of all courses and appropriate qualifications for teaching staff, prohibition of the use of sales representatives, and protection of students against some undesirable practices. The Commission has always tried to make clear that the present proposal does not answer all demands formulated in that resolution. The quality of the courses and the requirements, as regards the qualifications of teaching staff in particular, are items which will have to be resolved at a later stage of Community integration. The time has not yet come for us to obtain mutual recognition of certificates and diplomas awarded in the framework of home study courses. Members of this House will certainly know how much time and effort it takes to advance in this complicated field of mutual recognition.

Now, I turn to the different amendments which were presented by our draftsman. As the Commission drew up this proposal at the request of the European Parliament, it should clearly be well disposed to accepting the amendments presented. I wish to stress that we can generally accept the amendments which are proposed in the report. As far as the legal basis of the directive is concerned, the Commission believes, together with the Legal Affairs Committee of this Parliament, that Article 100 should be the only Article which is mentioned expressly. That is, we suggested no mention should be made of Articles 57 and 117. I

Burke

wish to enter two reservations to our general approach. The first concerns the system of accreditation of organizers of home-study courses. Members might remember that the Commission's proposal leaves it to each Member State to decide whether its accreditation system, will be compulsory or optional. We did this on the basis of advice to the effect that a mandatory system of accreditation might raise serious constitutional problems in one or several Member States. During the discussion in the Legal Affairs Committee of this House we were advised by eminent lawyers, who are members of that committee, that a mandatory accreditation system would not restrict fundamental rights in any of the Member countries of the EEC. Now, while I have every sympathy for this opinion, I would like to reserve the Commission's definitive opinion on this point until our own legal advisers have had an opportunity to reconsider the matter in the light of Parliament's opinion. Therefore, I am unable today to give you any definite indication of the Commission's attitude to the amendments proposed to Articles 2 and 3 of the proposal, and the consequential drafting of the amendments,

My second reservation concerns the proposed introduction of an Article 4 (a) into the proposal. I sympathize very much with the idea expressed in this amendment: I doubt that anybody could consider the insertion of such an article as detrimental to the interest of either the students or the organizers. An appeal procedure in favour of the organizer seems to be normal and appropriate. The Commission wishes however, to ensure that its own legal texts follow a coherent drafting line. We therefore wish to make sure that the inclusion of such a provision in the proposal does not permit any integration to the effect that Member States can set up an appeal procedure only where a Community directive enables them to do so.

We do believe that Member States should be free to act as they wish in these matters.

We have asked our legal service to advise us as to the suitability of the inclusion of an article along the lines of the new Article 4 (a). I must therefore reserve the Commission's final opinion on this matter. I would just refer to a few points raised in the discussion. On the point about hearing, particularly in the United Kingdom, may I say to Lord Bethell that I had noted that not only did the Scrutiny Committee deal with its home-study proposal but that it seems to have taken a very keen interest in all consumer legislation, and I get the impression that our consumer legislation in particular is the subject of very detailed scrutiny in the United Kingdom. Not only that, but we are subjected to quite a lot of legitimate representation for change, particularly from the United Kingdom. So I can assure Lord Bethell and other members of the House, that we know there is close scrutiny of our proposals, we also know that there is quite a lot of representation to us in these matters. It is a matter of opinion and

judgment I suppose as to the extent of the cross-border traffic in this area. I certainly know from personal experience that it exists. Article 100, being the article which is the constitutional basis for harmonization gives us a perfect right to act in that fashion.

Might I just refer to the question raised by Lord Bethell about cancellation after six months. The Commission believes that its suggestion in this field provides a fair balance between the interests of the organizers and the interests of students. After six months the student might be aware of his lack of ability to follow the course in question. He might also be prevented from following it on other grounds, whether social or for other reasons, and therefore, on balance, we think that our proposal is a good one. I conclude by thanking Mr Guerlin and the other members of the House for their reception of our proposals and I will assure the House that we will do our utmost to see that this directive is adopted as quickly as possible and I am sure — and this is rather important — that we can count on the support of the members of this House acting within their national Parliaments.

President. — I call Mr Guerlin.

Mr Guerlin, rapporteur. — (F) Mr President, I shall be very brief. I shall reply neither to Mr Jahn, who has lavished praise upon me, nor Mr Meintz, for I expect to be able to do that tomorrow during the discussion on the amendments. As for Lord Bethell, I was sorry that he was unable to attend the discussions in committee; with regard to the points he has raised, I do, of course, agree that the situation in England may be very different, but we cannot ignore the problem of protecting the consumer in this field. If it has already been solved in the United Kingdom, I am very glad to hear it, but, as things stand at present, the United Kingdom — in its entirety — forms part of Europe, and I do believe there is a need for Community legislation on this matter. Besides, I am surprised to hear Lord Bethell claim that all the Britons, whatever the Party, share his reservations; this morning, when I presented this report to my group, there were British Members present and I was instructed by the group, in addition to speaking as rapporteur, to express its unanimous agreement on this proposal. Perhaps there is disagreement within the Labour Group, which would be democratic of course, but the Labour representatives who belong to our group were unanimously in favour of supporting this report.

President. — I hope that no one else wishes to speak. The motion for a resolution, with the amendments that have been tabled so far, will be put to the vote tomorrow during voting time.

The debate is closed.

15. *Iron and steel industry in Europe*

President. — The next item is the oral question. With debate (Doc. 75/78) by Mr Cousté and Mr Brosnan on behalf of the Group of European Progressive Democrats, to the Commission :

Subject: Situation of the iron and steel industry in Europe

Could the Commission give Parliament details of the outcome of the individual negotiations conducted with a number of third countries regarding their steel exports to the Community ?

Is it in a position to take stock of the progress so far made in the talks now being held within the OECD between the steel-producing countries ? Does it think that these talks could ultimately lead to a world steel conference, the only way of ensuring the orderly development of trade and avoiding a return to protectionism ?

Can it specify the results by the measures taken in January in regard to prices within the ECSC and whether all undertakings are conforming to the minimum prices introduced for certain particularly sensitive iron and steel products ?

I call Mr Cousté.

Mr Cousté. — (F) Mr President, Parliament will remember that last July, on the basis of a report I drew up on behalf of the Committee on Economic and Monetary Affairs, we as a Parliament adopted a resolution approving a series of short-term economic measures involving the establishment of delivery programmes for groups of undertakings and for individual products, the fixing of guide prices for laminated products and the introduction of automatic licences for imports into the Community. We also pointed out that 'in view of the situation of the Community iron and steel industry restructuring and rationalization measures are vital' (point 9). I am drawing the Commissioner's attention to this, because in December the Commission was obliged to take further measures.

Without going into details that Parliament already knows, I should like to point out that there was to be a price rise of 15 % in three stages in 1978, the compulsory minimum prices, already introduced for concrete reinforcing bars were extended to two other categories of product, commercial laminates and coils for hot rolling and the compulsory minimum price for concrete reinforcing bars was maintained but in addition a guide price had been fixed at a level slightly above the initial prices and had been published with a view to taking account of the particular situation of Italian producers, the 'Bresciani'. We realize that in their case an agreement was needed to restrict their tonnage and this has been done. I think that you will be mentioning this later in the debate, since after we have dealt with the question I have tabled with my colleague Mr Brosnan, on behalf of the Group of European Progressive Democrats, you

will be explaining to us what action the Commission has taken in the last four or five months. In addition, a more comprehensive and efficient system of statistics has been introduced for four types of laminated product (reinforced concrete bars, commercial laminates, joists, coils) in order to regulate the market in these products within the Community. Finally the system of estimates for the steel industry drawn up every quarter, with which we are familiar, has been tightened up and is now used as basis for fixing a quota of supplies which the factories have agreed to adhere to voluntarily. Briefly, for the first quarter of 1978 you forecast a total of approximately 32 million tonnes of crude steel (32 870 000 tonnes to be exact) and if my information is correct the actual figure was only a little over 30 million (30 100 000 tonnes), the lowest production figure since the first quarter of 1974 ; although the estimate for the second quarter of 1978 is 31 million tonnes of crude steel, we are nevertheless a long way from the 1974 figures and the industry is in a state of crisis. I would add that as far as imports from third countries are concerned — and this is the main point of our question — the Commission's objective is still to conclude bilateral agreements with each of the exporting countries and it is essential that these countries should undertake to comply with the price restriction. We therefore have some specific questions to ask the Commissioner.

First, although the prices in units of account have indeed increased by 5 % in the ECSC, the second increase due on 1 April has been deferred and we were expecting it to be adopted by the Council on 2 May ; we were disappointed, but I am sure that you will be able to explain to Parliament the reason for this delay. The Commission should also tell us when this price increase will finally be introduced and whether there will also be a third increase — also necessary, as has already been explained — and if so when.

The second important question — and the Commission is to be congratulated on taking these additional measures in December — brings us up to the time of the March part-session : when giving us an initial report on the negotiations you told us that you had concluded agreements with a number of countries, namely, if my memory serves me correctly, Japan, South Africa, Spain, Czechoslovakia, the EFTA countries and, recently, Hungary. However, agreements still have to be concluded with Bulgaria, Rumania, Brazil, South Korea and Poland. There are two other countries with which negotiations are still at the exploratory stage : East Germany and the USSR.

Do I need to stress the importance of these two steel-producing countries ? It would also be extremely interesting to know why, in the light of these negotiations, the Commission terminated certain anti-dumping investigations on 24 April. This could be interpreted

Cousté

as a concession to the countries which have not complied with the antidumping agreements. As for the countries currently negotiating with the Community, the Commission had intended to extend certain anti-dumping duties for three months; does this mean that some of these anti-dumping duties, payable on exports of steel, in particular from South Korea, Bulgaria, East Germany and Romania are no longer temporary but permanent? We must take note of all the agreements that have been concluded — sometimes with difficulty. Nevertheless there is still the question (we already asked this in March) of whether the international steel conference can be organized with the Japanese, the Americans and other major steel-producing countries, including those of the Community, with a view to regulating trade. We ourselves advocated a tripartite conference of this kind, under the OECD, in our resolution of July 1977. It does not seem that anything has yet transpired at an official level although we are told, notably by journalists (at least according to *The Economist*) that secret negotiations are being conducted between the United States, the Community and Japan. The Group of European Progressive Democrats would therefore like to remind the Commission how important it is to ensure compliance with the various bilateral agreements and one is naturally prompted to ask whether the Commission is going to be able to do this. If not, what is it going to do? Will it be content with registering protests or will it also take more effective action such as sanctions or the threat of sanctions? There is also a real danger that the spirit of these agreements will be distorted. We know that the Japanese, for example, signed an agreement with the United States for the voluntary restriction of their sales in 1968; in fact, they very intelligently reorganized their production and hence their sales; between 1968 and 1971 they concentrated increasingly on higher quality products, special steels in particular, and there was also a geographical concentration of Japanese products on various parts of the United States, notably the west coast, which created real difficulties for American undertakings in the steel industry. The Commission should ensure that the bilateral agreements do not result in similar structural changes with regard to products or geographical areas so that despite all its efforts there is a dangerous deflection of trade. I believe that the Commission is determined to ensure compliance with all these agreements and observance by all the undertakings concerned of the minimum prices fixed for certain steel products.

Finally, Mr President, as my colleagues from all the various political groups have so often stressed restructuring and rationalization measures in the iron and steel industry are essential. Certainly the Commission cannot take decisions which are the responsibility of the national and indeed regional institutions, and also the undertakings themselves, but it does have a responsibility in this area, as you will agree. An attempt must be made to harmonize the schemes devised in the

various countries to stabilize the steel industry and give it a fresh impetus. The crisis aid or investment aid provided for in Articles 54 and 56 of the ECSC Treaty must be used more extensively, as also must the resources of the Social and Regional Funds, in order to prevent serious imbalances and ensure the harmonious development of the steel-producing regions. In this respect, I welcome the Commission's decision to grant the Société Lorraine de laminage continue a loan of 130 million to finance the construction of two continuous slab-casting lines at Sérémange. The Commission also decided on 24 April to grant a loan of 450 million francs under the ECSC Treaty for the construction of a car engine factory and the extension of the Peugeot-Citröen gearbox factory in Metz, which is to be welcomed; as is the fact that the ECSC has granted a loan of 700 million francs to Houillères de France to help finance the construction of a 600 MW coal-burning power station. The public should be made aware of these measures. Our group, and I am sure the whole Assembly, will therefore support the Commission's measures, at the same time paying careful attention to the gradual but effective implementation of its overall policy, whose difficulties we appreciate but which we regard as worthwhile.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Mr President, the questions Mr Cousté has asked me are precise and practical and shows that he is completely *au fait* with the situation; I shall try to reply in equally clear terms. I think that we must take the problems in order and deal first with those that relate to the steel industry in the Community and then with the external problems.

As far as the Community iron and steel industry is concerned, it must be admitted that the structural crisis is just as serious in 1978 as it was in 1977. We must not delude ourselves into thinking that the measures we have taken, although they have had an impressive effect on the profitability of Community iron and steel undertakings, have eliminated all our difficulties. The main difference between 1977 and 1978 is that we have perhaps established conditions which, if they are complied with, will provide a comprehensive solution to the structural crisis, for we tend to forget that the problem last year was to safeguard the internal market which was under threat from all sides, from the producers themselves and the lack of a coordinated policy, the abuses from the outside and the extreme vulnerability of our market. But the objective is still the same; we must find a comprehensive solution to the real problems of the iron and steel industry by restoring its competitiveness and making its production conditions such that they are in line with the actual economic situation. We do not want a subsidized 'public service' steel industry when our industry can cope with economic conditions in the Community and withstand outside competition.

Davignon

There is no doubt as to our objective. But when we speak of basic industries, we must always ask how they fit into the overall Community strategy. There are regional, political and social factors which must affect and influence our judgment. About this too there is no doubt.

May I say that since the car industry is an important factor in the Community's economic growth we must remember that without a stable iron and steel industry the car industry would simply collapse. It is an illusion to think that we can import everything we need from outside: this may be true when the economic situation is unfavourable but it does not apply when there is a reasonable balance between supply and demand.

This being so, we must work to ensure, as the system develops, that the measures we introduce to deal with the crisis are merely of a provisional nature. We must not place the iron and steel industry in a falsely secure position by means of internal and external protection measures. This means that we must also take account of the repercussions our internal measures will have for all those who are dependent on the iron and steel industry. We discussed this two months ago and on that occasion I said that the Commission would ensure that the measures we took to aid the iron and steel industry did not affect the situation of those in the first, second and third stage processing industries. Clearly we sometimes tend to think just of the iron and steel industry and to neglect the processing industries. It is essential from the point of view of economic realism and employment that we try to restore the balance. I shall quote just one example as evidence of this: there are more than 700 000 people employed in the steel industry as such; in the German Federal Republic alone there are more than one million workers in the steel-processing industries. We must not therefore simply transfer the crisis from one sector to another.

For this reason we have decided to take all necessary precautions not to increase prices further without ensuring that the processing industries can bear such an increase and still remain competitive internationally. We therefore needed to know how prices were developing in the United States and Japan; they are on the increase. Detailed consultations must be held with the Community processing industry and with consumers to ascertain their particular problems.

I have perhaps been somewhat lengthy but it is important to explain the background. Against this background, the first problem is now to bring prices in the Community up to a level comparable with the costs of the most productive undertakings. For this is the objective. A price increase should not be designed to increase the revenue of undertakings in the iron and steel industry artificially. Since there is a considerable discrepancy between supply and demand, prices must

as far as possible be brought into line with the costs of the most productive industries. I must stress that the aim is not to guarantee revenue artificially. We believe that if we increase prices by 15 % this year, we shall still not cover the costs of the most productive industries, with amortization. We are not, therefore, trying to stimulate prices artificially — this is an important point.

On 1 April we introduced an initial increase of 1.5 %. We are planning to hold consultations before 1 July; we should know by the beginning of June whether the prices we are proposing have been adopted. We shall be consulting with consumers and with the ECSC Consultative Committee, when we have ascertained that particular problems, for example those of the shipbuilding industry, can be resolved to the satisfaction of those concerned.

Of course, this also depends on our having received assurances that these prices will actually be adhered to in the Community and that they are not regarded simply as a margin that producers can use to play that dangerous game on the market which has led us to our present situation.

As regards supply quotas, we have continued to use this system, but we have improved it in order that it should work to the advantage of those who are making an attempt to adapt themselves. The system was calculated on the basis of the figures for the preceding quarter. But an industry which was in the process of reorganization and was cutting down on its steel production was penalized whereas in fact it was being fundamentally restructured.

Under the system that is currently being discussed by the Economic and Social Committee, however, we are proposing that those industries that are making the effort to reorganize themselves should be given preferential treatment, in order to restore the economic situation and the market law that I mentioned just now.

We have consulted Italian producers who manufacture reinforced concrete bars with electric furnaces in small and medium-sized undertakings to involve them in this joint enterprise which is in line with the terms of the Treaty of Paris, under which producers are required to ensure that joint measures are conducive to the stability of the iron and steel market. I believe that we were able to convince these producers, who were efficient and produce a good-quality product, that the contribution required from them was in proportion to what is required from all iron and steel producers and that they were not being penalized because they had entered the market at a later date.

The discussions I had earlier today in Rome on the same subject convinced me that the situation is developing satisfactorily.

As far as external factors are concerned, I must again stress that it is not our intention to protect the

Davignon

industry artificially against imports. On the contrary, in its decision of 20 December, the Commission made it very clear that the traditional trade patterns must be maintained. The aim is not to reduce imports, but these imports must not be allowed to ruin our internal markets.

Mr Cousté said that we have been successful in the negotiations; we did encounter some difficulties but because we were honest in our approach we were able to reach a conclusion. We were prepared to commit ourselves; we did not simply expect the other side to make concessions to us. We gave importers the assurance that if they complied with the price restrictions to which they had agreed they would be given a preference on our market in line with their traditional exports. If our producers did not conform to the ban on adjustments we would annul the contractual part of the commitment. It is up to us to take the necessary steps to fulfil our commitment. Remember that the control which Mr Cousté mentioned also applies to us.

First of all we have concluded agreements with our partners in EFTA, which means that most States in Europe have now adopted the same system as the Community for dealing with the crisis in the iron and steel industry. We are not alone in this crisis; the Community has established a joint 'crisis management' system which has been accepted by the Member States, the EFTA countries, Spain and Greece, in other words the main European producers.

Secondly, we have concluded agreements with the countries of Eastern Europe and I should like to point out in passing that although the Community has already concluded such an agreement with Romania it will be the first time that it has entered into agreements with Czechoslovakia, Hungary, and I hope, in the near future, with Poland and Bulgaria.

Perhaps even the Soviet Union will also eventually participate. It is familiar with the system, it must decide whether it is in its interests to sign an agreement with us or whether to accept the position of a third country.

The question of East Germany is more delicate because of the problems arising from trade with the Federal Republic. This is a specific problem, but the major overseas exporters such as South Africa and Japan have concluded agreements with us. I hope also that an agreement will be concluded this week with Australia, which is a major political step when you consider that the pronouncements of the Australian Prime Minister are usually not, to say the least, very favourable to the Community.

This is therefore an important political and technical development.

Mr Cousté asked me about the results of the anti-dumping measures provided for in our decisions of 20

December. It is always essential to bear in mind that using anti-dumping procedures is not protectionist, any more than calling the police when the law has been broken is a proof of hostility. Anti-dumping measures, based on a very precise legal procedure, are the remedy available to us when the international rules of free and fair trade have been violated.

Thus we introduced a series of measures. When we decided, in concluding our agreements, not to continue with some of these measures, it was not because we were doubtful about them or because we thought we should negotiate, it was because we considered it important to make a gesture of goodwill at a time when unilateral measures were being superseded by agreements.

We said that we were taking a chance on the future. Right is on our side. We are not going to 'wipe the slate clean' but nor are we going to continue with all the measures that we could apply. We are making clear that we have right on our side but we are not carrying these measures through because we have replaced a unilateral system by a contractual system. We have therefore introduced a number of anti-dumping laws in respect of Romania, Australia and certain other countries. We shall introduce similar laws in the consultations that are being held with other countries, but we have not done so systematically.

I would add that if the agreements are violated we should not hesitate to use the remedies available to us. Immediate consultations will be held if commitments are not respected. There will be new anti-dumping measures in addition to the previous measures — since the maintenance of a basic price constitutes a kind of 'safety net'. Imports at a lower price would clearly violate the rules of international trade.

We have also taken care to ensure, in our recent consultations, that the arrangements for monitoring imports both at the borders and between the Member States are satisfactory. Our standing committees will be responsible for this task and we shall not be taken unawares.

Finally, Mr Cousté raised the most important question of all — reorganization. If we had not taken any safeguard measures, we should be like the doctor who takes so long deliberating about the best remedy for his patient that the patient dies in the meantime. These measures were necessary. However, they will be useless unless at the same time we carry out a thorough reorganization of the sector. The timetable is extremely precise: we have asked the Council to adopt our 'general objectives for 1985' by July. We must therefore work out how we are to establish a more reasonable balance between supply and demand, in order to resolve this structural crisis.

Having established general guidelines for the changes that are to take place between now and 1985, we shall

Davignon

consult the States or undertakings responsible for reorganization. Together we shall consider how their action fits in with these parameters. Of course, the ultimate responsibility lies with the undertakings. We are not going to say that there must be a wire-rod mill or a cold rolling mill in such and such a place. That is not up to us. If undertakings wish for national or Community aid to increase their production, and this increase, is not counterbalanced by any reorganization and does not tie in with our objectives, we shall tell them that they may of course increase production but that they cannot be granted any national, regional, social or Community aid. The Community and the market economy are complementary, and this is how they work.

Obviously, measures of such a scale and complexity would not be justifiable unless they were also accompanied by redeployment and social measures. We cannot ask the industry to make such an effort — even if it is spread over a five-year period — when it is going to cause unemployment and create problems in certain regions, without a valid and practical programme for redeployment in other areas.

Earlier in this debate Mr Cousté mentioned cases in which the ECSC has provided investment aid for undertakings outside the iron and steel industry because they would take the place of iron and steel undertakings, which it would not have been practicable to modernize in the present structural crisis. The Member States must show the same solidarity in the field of redeployment as in the field of reorganization; we must, of course, continue with the ECSC's programme as far as social adaptation is concerned.

We shall then have done not what we choose to do but what we are required to do under the Treaty. There is a tendency to think that we can choose between taking action to help the iron and steel industry and not taking any action at all. In fact, we do not have any choice. Article 2 and Article 4 of the Treaty are quite clear. They require us to deal with the situation with the necessary determination, flexibility and imagination and to pursue a specific objective. We take joint measures because this is the way to restore normal conditions and change the iron and steel industry so that it is more in line with present-day conditions.

This industrial reorganization must not lead to intolerable political, social and regional problems. When we have achieved this, there will no longer be any question as to whether the Community is necessary. We shall have proved that without the Community the reorganization and survival of the iron and steel industry would never have been possible, and, even more serious, that there would be no hope for the future.

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

Mr Hoffmann. — (D) Mr President, I shall do my best to keep to the time allocated. Members who have been following the debate carefully until now will have noticed that it is just when it starts to get really interesting that we stop getting any information.

I have the feeling that too much attention has been paid in this debate to measures to protect business and trade interests and the state of competition. There are three facts that must be taken into account here. Unemployment figures for the coal and steel industry have risen or have stabilized at a very high level: the process of concentration in steel production and processing has accelerated and the debate on the rights and wrongs of the anti-crisis policy, especially price policy, has become increasingly acute. If I might take the liberty of indulging in some good-natured polemics, I may say that from a German point of view the situation looks rather like a case of rivalry between two counts, Count Davignon and Count Lambsdorff, who seem to have found common ground under the banner of 'Free trade before protectionism'.

Now we all know — and you know this as well as I — that these two bare alternatives are an oversimplification, and that at the root of the problem there are basic questions such as: how are the resources of the Community's economies to be managed so that they meet socially desired criteria? How do we make sure that we set ourselves optimum economic objectives? How do we make sure that we take business and technical efficiency fully into consideration? Who will decide what direction we should take, and, above all, who will take the risks entailed in the necessary restructuring processes? That last point is crucially important, and you have already said yourself that it is central to our efforts.

Now, having made these basic points, I want to ask you some specific questions, and since time is so short, I shall not try to develop my own suggestions any further.

Firstly, how far advanced is your plan for a restructuring directorate? I understand that detailed negotiations are now in progress, and I should like to know what the membership of this directorate will be, who will determine its objectives and to what extent its members will have a say in defining these basic principles.

Secondly, to what extent will the workers concerned be involved in decision-making? I fail to find any references to this in say, the discussions between yourself and representatives of the Luxembourg and Belgian governments which were reported in the newspapers.

Thirdly, what are your views on the process of concentration of ARBED in Luxembourg, Belgium and the Saar?

Hoffmann

Fourthly, what is your opinion of the plans for restructuring in Lorraine?

Fifthly, what are your views on the employment problems of the British steel industry?

Sixthly, to what extent can the Community and the Member States expect to have a direct say in decision-making, in return for their direct financing of the steel industry? I do not want to go into the ideological implications of this question, but it is a fact that there have increasingly been direct subsidies from the Community or from the public authorities of the Member States to the steel industry, although the logical consequences of that, namely that they should also have a say in decision-making, are not being drawn. I think there is a hole that needs to be plugged there.

Seventhly, when the market and price mechanism is clearly failing to perform a regulating function for raw materials and key industries, is it not a clear indication of the need for direct action by the public authorities on business investment? You have already said that you hoped for a return to better, more transparent and competitive market conditions. Now nobody will quarrel with that, but I feel it is rather like asking for the moon, because in my view, the process of concentration alone is going to forestall any return to these market conditions.

An eighth and final question: on 14 March 1978 — two months ago — you referred to the possible adverse effects on the processing industries of your price plan for the steel industry. You said:

... if there are individual cases of real difficulty they should be reported to me so that we can remedy them.

I would like to ask: have any such cases been reported to you? Have you in fact had to take action or were the statements that were made here exaggerations?

Finally: are not the funds provided for under Articles 54 and 56 completely inadequate to deal with current problems?

Finally, Mr Davignon, I would be grateful if the major debate which you have already asked for could be held after the summer recess when fresh data will be available. I would remind you that at the March part session you said:

... here there is room for a wide-ranging debate which I should like to see take place one day in Parliament because this raises the whole question of the conditions we need, not simply to manage the crisis but to overcome it — and that is something quite different.

I agree with that statement wholeheartedly, because we must not be content with mere crisis management, we have to find a completely new approach, particularly in view of the terrifying figure of over 6 million unemployed, which, in my personal opinion, will be increasingly likely to provoke a major political crisis if we do not succeed in introducing new regulating mechanisms.

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

Mr Schwörer. — (D) Mr President, ladies and gentlemen, I should like first to say that I am very glad that we have someone as active as Mr Davignon here dealing with the difficult problems of the steel industry. I must say that if I have questions to put to him, he should understand that they are not intended as criticism, but to help him a little in coping with these serious problems.

I said at the debate in March that I had reservations, in particular where the processing industry was concerned. And I still wonder whether these arrangements, which might end up being applied for years to come, are in fact the right ones. We do know that the Commission was originally opposed to these arrangements, at least according to reports from certain economic services, and anyway, Mr Davignon, didn't you choose different solutions in other sectors? I am thinking of the textile industry in particular. With the world textile agreement, which we are grateful for your efforts to bring about, you opted for a different solution from the one you are now proposing for steel. There you had to restrict the free play of the market and you had to limit imports from countries offering goods at low prices, but without price-fixing.

This has enabled price competition to be maintained in this sector and I would ask you: do you not think that in the case of steel a similar solution would help to bring about the necessary structural improvement?

Price competition would force steel producers to find the most economic solutions, to concentrate on interesting products and markets, just as the textile industry is having to do, and the system is working there — it is painful, but it is working. That, in my opinion, would be a better economic solution than artificial price rises when nobody knows if they will really continue to apply in the way you intended. You have already expressed reservations to the effect that some producers might even use the extra income to increase capacity.

I have other reservations, Mr Davignon. Could not this artificial improvement in the balance sheets create the false impression that the problem has actually been solved, that there is no need to make any further effort, so that uneconomic capacity will be maintained just because the books are once again in balance? In my opinion the only thing that will help is wholesale competition that will force undertakings to make a constant effort, and in any case, I doubt whether it will do any good for the Commission to try to direct decisions by undertakings — even if it is against investment controls, as I willingly believe it is. But it could easily find itself in a position of being quite simply unable to intervene — it might make recommendations, but it would be quite unable to take any action to achieve the desired effect.

Schwörer

Mr Davignon, I should like to know what specific results you expect this plan to achieve. I can understand that you may not want to reveal everything in full detail at this stage, but we need a coherent general approach to the problem with specific data, otherwise we might as well give up trying to find centrally directed solutions. I also have reservations about the effect on other sectors. How can you refuse to apply similar arrangements to other branches of the economy? Unfortunately I do not have time to explain why I cannot accept that the steel sector should be treated as a special case that justifies special arrangements. We raised the question of the effects on buyers on the last occasion. We are now faced with other problems in this connection and many steel processors are just beginning to realize how much they will be affected by these price rises and here I must contradict my friend Mr Cousté. In my opinion we should not proceed with any price rises in the next few months until we have reduced the difference between internal prices and export prices. You know that there are very considerable differences here, and you also know what it means to the undertakings if our own Community industry, which already faces higher costs, also has to pay higher prices than its competitors.

Before I conclude, I should like to ask you, Mr Davignon, to think again about how you could improve the general economic situation, about how you could help to stimulate investment in general. I know that is another subject, I know that is essentially a matter of structural policy, but if we could achieve that, it would be the most effective way to help our undertakings to find markets for their products.

Mr Davignon, I should like finally to say this: the Christian-Democratic Group is grateful for your efforts to improve the situation in the steel industry. It is also grateful for the promise you gave at the last debate to maintain the old contracts and to help the small and medium-sized undertakings, so that they were not subjected to excessive strain. You have kept your word. My group will support you on a steel policy that will maintain employment in the long term, will not jeopardize the small and medium-sized processing industries and, by relying as far as possible on the free market economy, will ensure that the European steel industry is able to face international competition without having to be subsidized.

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

Mr Damseaux. — (*F*) Mr President, Commissioner, my dear colleagues, I would like, in the extremely short time allotted to me, to make only three remarks. The first is that we are experiencing a world crisis in all sectors, nationalized or otherwise, due to a decline in the market. The fact that the crisis is worldwide

means that it must find a worldwide solution but the Community must not approach this problem in disarray. We must prevent the Community becoming a collection of national iron and steel industries, or even of regional industries within the States and we must on the contrary multiply the many links between the industries of the Community so as not only to restructure this sector but to 'communitarize' the iron and steel industry. I believe too that this crisis is affecting all sectors, nationalized or otherwise, in other words we must not harp too much on structural reform.

My second comment, Commissioner, is to stress that in my view we must be careful and particularly selective in granting Community aid, because there are dangers to be avoided and precautions to be taken. The danger to be avoided is the ease with which public authorities in general dole out aid and guarantees to enterprises without parliamentary control and even without economic inquiries. Public authorities nowadays in granting aids or guarantees to easily encourage the lending organizations, particularly banks both in the private sector and in the public sector, to relax the vigilance they exercised previously when the authorities did not provide guarantees of aid and when they were worried about getting their money back. We have seen a number of practical cases in which banks, public or private, have lent money without making inquiries because the State guaranteed the loan and when at the same time the State gave its guarantee without inquiries because it felt that since the lending body was respectable, it had itself carried out inquiries. As for the precautions to be taken, I think that we must not adopt measures against independent companies, which have proved that they are perfectly viable and which at the appropriate time carried out the necessary rationalizations and investments, for the simple reason that they had not previously asked for public aid. We must avoid above all using Community finance to build up over-capacity endangering the proper operation of existing installations because they have been well-managed and endangering the resulting jobs which are stable because they are the result of rational investment.

A third and last comment, Mr President, is the problem of surplus production capacity. There are a number of regions in a number of countries where the size of plant is out of all proportion to the amounts produced. Experiments in cooperation have been carried out at national level. As a Belgian you are aware of the discussions held particularly on the setting up of a cold rolling mill between the companies Phénix, Cockerill, Sidmer and Boël, you are aware that Phénix gave up the project, that Cockerill set it up because the conditions were different, that Sidmer went operational in 1970, Boël delayed in 1974 the setting up of this cold rolling mill while benefiting during the four years delay from produc-

Damseaux

tion at cost price to compensate for the delay in its investment. I believe that if these discussions were possible at national level or were carried out between three regions in our own country, this could also be done at Community level, so as to harmonize our investments and produce plant which is truly Community plant.

In conclusion, I would remind you that in your speech you said the Commission could not lay down the law but it could act as a coordinator. However, I believe that you do hold the key to this problem because if there were no coordination, there would be no aid, be it regional, sectoral or social. I hope therefore, Commissioner, that you will have both the common sense and the courage to respect these intentions and if you implement this policy in practice I and my group will be the first to congratulate you.

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

Mr Osborn. — Mr President, we are still talking about the steel industry, which is in a crisis, and I thank Commissioner Davignon for giving us his report on how he is dealing with it. I sometimes found it difficult to relate what Commissioner Davignon said tonight to an occasion I attended last week, the annual meeting of the Metal Society. This is an amalgamation of the Iron and Steel Institute and the Institute of Metals, and I heard many leaders of the international industry try to assess technologically where the industry is today, and where we shall be in the future, and I mean by that the ferrous as well as the non-ferrous industries. I might say that Commissioner Davignon was a very welcome guest of honour that night. He did stress one point: the need to maintain adequate price levels to ensure, if possible, an adequate return on capital. There has been consternation amongst British producers, especially a number from Sheffield — those producing alloy steels, tool steels, high-speed steels, stainless steels and other special steels — who have tried to maintain price levels, but have had over a period of time to face warehouses in their midst with cheaper products coming in from outside, and therefore what should be happening in practice may not be happening so well and effectively when the time comes.

I would like to know, when he was in the United Kingdom, what discussions he had with the BSC, who have huge losses and a capital investment programme to deal with this — an issue which will be debated in the House of Commons in two nights' time. Also, what discussions he had with the Government. Commissioner Davignon did meet the new President, Mr Michael Dowding, who is no stranger to Brussels. He is a metal plant manufacturer, and he started in my city, Sheffield, with Doby and United Company at about the time I entered into the industry myself. His

theme was the world of metals. He looked ahead, based on what had happened in the past, and produced remarkable graphs, not only to two years hence, but to the year 2000.

He predicted a world demand jumping from roughly 700 millions tonnes to 1500 million tonnes. He related this prediction to the change in the aluminium and copper industry, and he related the change, the likely growth, in various parts of the world, to the availability of the raw materials, which I have already referred to this evening. His main conclusion was that it will be the developing countries who have the raw materials who will have the greatest growth, and who will have an advantage over the developed countries. This was a plant manufacturer, who has had considerable experience overseas. Commissioner Davignon more or less fought against protectionism. Some of the leaders of the industry that I spoke to and they were not confined to Britain, felt that in the Community, to a greater extent, we should content ourselves with making our own bulk steels and bulk materials, and not expect a high volume of exports, because the die was cast against us. I was very interested in Commissioner Davignon's outline of the various agreements with other countries, including South Africa, but there is a trend going on which is a long-term one of, perhaps, optimism and expansion, the expansion being in the developing countries.

To conclude, going back to the question of prices, which was dealt with in this question, and which the Commissioner has dealt with, how is the system of import reference prices in fact now operating? Are they likely to be increased and if so when and how? They are affected by currency, and this means rates of exchange, and it has been brought to my attention, between 1 January and 30 April, the unit of account and the yen rating dropped by some 19%. Price stability was hard to achieve nine months ago, and there was a toughening and more or less compliance with requirements at the turn of the year. But I would sense that producers are more or less finding ways round the impositions imposed by the Commission, and the procedures laid down by Commissioner Davignon and his very excellent initiative. I rather support Mr Cousté and others. My sensing is that price discipline and price stability is worse now than it was at the turn of the year. I too have heard — and I am very glad to hear that Commissioner Davignon was in Rome — that the Italian producers are under pressure and must sell at any price. One cannot criticize. One must realize that we are in a difficult position, and any lead that politicians can take to ensure the stability that Commissioner Davignon has tried to impose on the industry is something we must now support. I thank him for being here now. I thank Mr Cousté for putting the question, but let us have no illusions: in steel, which is the industry we are dealing with here, let alone the other ferrous and non-ferrous

Osborn

industries, times are difficult, and there is no sign of that short-term expansion which relates to the long-term forecast which may or may not be accurate. Therefore, we must maintain this dialogue, and I look forward to a further expansion later on.

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

Mr Ansart. — (*F*) Mr President, ladies and gentlemen, is there any need to remind you, Commissioner, or you ladies and gentlemen, of the anxieties of our people in France, in Lorraine and particularly in the North, when they hear that the planned restructuring is going to lead to a new wave of thousands of redundancies — we have heard figures of 16 000 in Lorraine, of several thousand in the North — in the immediate future. This is being done on the pretext of making the French steel industry profitable, when the industries' leaders have been unable to transform it into a major competitive national industry, in spite of the 13 000 million francs generously poured by the State into an industry which is so heavily in debt that without exaggerating we can now describe it as bankrupt. What have the big steel bosses done with these thousands of millions? They have invested abroad a proportion of public money and the Community's money and, experience has shown, have been guilty of enormous waste with no real profit for our country. This amply justifies returning to the people one of its main national resources and the nationalization of the iron and steel industry.

But the situation is even worse, if that were possible, and this justifies all our fears: the Brussels Commission, we are told, is — as far as we can gather — carrying out a vast restructuring operation covering not this time mergers of companies but a redistribution of production areas, a cross-frontier reorganization without consultation of the national assemblies or of the national and regional elected representatives. The Commission wishes to apply a shock treatment: it believes that the current setting up of supranational groups should be used to liquidate what are felt to be the less profitable plants and concentrate reduced production on a number of major production units chosen not by a Member State or on national criteria but by the Commission in the light of multinational interests.

What does this mean? It clearly means that in the years to come the French steel policy will be dictated by Brussels and by the more powerful groups in the iron and steel industry. This is a very grave situation. This means calling into question France's national independence, its political independence and its economic and social independence. Indeed, this has been made quite clear in a whole series of statements and comments, which I believe to have been made with outside prompting; this is indeed the medium-

term aim of the Commission and the Eurofer cartel. This is why the reticence surrounding these projects which have been drawn up in secret by the boards of directors is intolerable to us parliamentarians. What is at stake is the survival of a major international industry for France and the fate of hundreds of thousands of people. We think therefore that this debate must be a public one, both here and in the French National Assembly. The trade unions must be informed, must take part in discussions, and take part in decisions. How can we seriously talk of consultation and democracy, when the fate of entire regions, of hundreds of thousands of workers can be decided by unilateral discussions between the Commission in Brussels and the International Steel Group of the Eurofer cartel?

For all these reasons, ladies and gentlemen, I would like to take advantage of this brief debate to express the hostility of my colleagues and myself to these proposals which we cannot accept and to call for a great debate on the iron and steel industry which workers in my country would like to see so that we can put forward our solutions, based primarily on national interests, but also on cooperation at European level not with the interests of the multinational companies alone in mind but with the interests of workers, who should not have to bear the results of a crisis for which they have no responsibility. You Commissioner, if I may say so, are going to aggravate the unhappy state of affairs in Europe and increase unemployment, which you seem to support, and which is now endemic and of enormous proportions. What kind of image of the Community are we going to present on the eve of direct elections to our Assembly? We propose a bold, new policy, which takes account of all the main needs of our age. We do not deny that changes will have to be made to adjust to the modern age. We agree on this. But the interests of men, women and young people must be taken into account, and this is not often the case.

This is why we propose to open the door to expansion by stimulating consumption, and by increasing production. I am expressing here the views of the vast majority of the trade unions who propose that the demands of the labour force be accepted — purchasing power, length of the working week, retirement age, the possibility of early retirement, reduction of shift-working, which has increased in alarming proportions in the iron and steel industry and which destroys family life, because it is also, and above all, in the field of social progress that workers are looking for developments in European cooperation. We believe indeed that this is the price we have to pay to heal the open wound of unemployment and to create the hundreds of thousands of jobs which our young people need.

President. — I call Mr Christensen.

Mr Christensen. — (DK) Mr President, Commissioner Davignon said that the Community had acted as a board of management for world steel prices, and there is certainly no denying that this has been the case. An overall increase in the price of steel has been forced through and this has in turn meant increased costs at a time of crisis in the world economy when millions of people are out of work.

Mr Davignon was not blind to the fact that the steel-processing and the steel-based industries are faced with a problem, and mentioned in this context that, in West Germany, there were 1 million people employed in the various steel-processing industries. As far as Denmark is concerned, I can mention that there are 2 500 people employed in steel production and 175 000 in steel-processing. For Denmark the increases in steel prices have meant that firms are considering moving out of the Community in order to survive. For Denmark, these steel prices have meant a 20 % increase in costs at a time of very serious difficulties and moreover in a country which is a European record-holder in terms of unemployment.

This is a sad state of affairs for Danish industry but also for the Community's steel-processing industries in general. The shipbuilding industry, which is struggling with harsh and difficult problems, has been further handicapped by these ludicrous price increases. The same goes for the car industry, which is not doing particularly well either. This shows here, as in the textile sector, that the protectionist forces in the Community are stronger than those that take account of the consumer interest, of cost trends, of employment and of the overall situation.

It is said that we must solve these problems by providing structural aid. Here I would like to take agriculture as an example. It has after all been under discussion for twenty years. For twenty years, the Community has pursued an agricultural policy which has removed the prevailing situation in agriculture further from the situation on the world market than at any time in the past. It is an illusion totally unrelated to reality to believe that structural changes can be effected by means of protectionism. Structural changes can only be brought about by virtue of world competition and freedom of competition. All talk of dumping is broadly speaking humbug, because State intervention as applied both in the Eastern bloc countries and, to an increasing extent too, here in the European Community, has the effect of making it increasingly difficult to separate out the old concept of dumping. It is, in fact, impossible. My conclusion therefore is that this reactionary policy of protection, which has direct negative repercussions on employment as well as the effect of deferring or completely disrupting sound and necessary structural trends, should be resisted.

Mr Davignon used an image to illustrate what the Community had avoided doing. He made reference to

the doctor who must decide what remedies to apply but who does nothing, as a result of which the patient dies in the interval, and said that this would be a terrible state of affairs. This was precisely what the Community had avoided. I will use a more accurate image to show how the Commission, the Council and indeed the majority in this Parliament have clearly reacted. The fact is that they did not do what they ought to have done because they are perfectly aware, just like the doctor, what the correct cure is. They are perfectly aware that no headway will be made with the aid of protectionist measures. They know perfectly well that they must not commit again at world level the same mistake they committed in the 1930s and yet then they go on to do precisely that. This means in short that, although the doctor knows what the correct cure is, he is resorting to quack remedies.

President. — I call Mr Cousté.

Mr Cousté. — (F) Mr President, it is with great interest that I have listened to all the speakers, and noted in particular the reply by Mr Davignon to the Assembly and to the public. But nevertheless, he has omitted — I think he has simply forgotten — to tell us whether this international conference on steel, which I see as one of the means of ensuring the ordered development of trade, is being organized. It is perfectly clear that in the resolution which we adopted and which is the only document to serve as a basis for the great debate we have just heard about, as the discussions which followed it were merely complementary, we were anxious to see this tripartite conference organized in the OECD. I have mentioned the secret nature of certain contacts between the United States, the Community and Japan and I imagine that this is not what has prevented Mr Davignon giving us his views. We are therefore ready to hear him with the greatest attention.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Several members of the Assembly, including Mr Hoffmann, have asked for a fundamental debate on the future of the iron and steel industry. I would like to put this matter in the hands of Parliament, because it is not for the Commission to decide that the debate — which I would welcome — on an affair concerning 7 million people, could begin earlier than 8.00 pm, it might create the conditions in which the debate would be more in keeping with the scope of the difficulties we are facing. Please do not take this as a disparaging comment, but simply as an expression of my desire to be available to Parliament.

Mr Hoffmann asked me 9 questions which in turn were broken down into a number of sub-questions to which I would like to give specific answers.

Davignon

The first group of questions concerns who is responsible for restructuring. Here I would draw the attention of Mr Ansart, who appeared to get somewhat carried away when he spoke of decisions taken in Brussels by groups; I do not think he was questioning the honesty of the Commission's proposals. But since we have to know how restructuring is to be carried out, I will explain in a word. What is a structural crisis? This is the question, Mr Schwörer, which concerns us now. It is the result of a mistake, and we must accept our responsibilities if we are to remedy it. The instrument is no longer suited to our needs. Once more, Mr Ansart supplies the answer: people are not buying steel.

Fair enough, but who is going to buy this steel, to build what, and how? When we consider that the iron and steel industry in Europe through having to sell at cut prices, lost during 1977 2 500 000 000 units of account, whether it was nationalized or private, because of a defect which we refused to correct by saying that the developing countries should stop their growth, by saying that those who produce better products than ourselves should be penalized, and by following a policy opposed to the bold and generous policy which you mentioned a moment ago, I can only say that this is a negative policy. We have to adapt, and adapt in the long term, because it would not be right in the type of society in which we live to make these transitions in such a short time that they would become socially, regionally or politically intolerable.

All the Community's iron and steel industries lost money in 1977. A number of them lost their capital, both nationalized and private. Logically they should have been closed. That is not what we must do. We must readapt them. In this effort of readaptation, we must first determine the Community's steel requirements taking into account economic, social, regional and political criteria, because Europe is aiming at independence, and it cannot, in addition to its dependence on raw materials, add dependence on a number of processed products. How is this debate being carried out? Mr Ansart gives us the answer: the cartel telephones the Commissioner in Brussels, and tells him what decision to take, decisions which are then approved by all the States. Mr Ansart, even in Tin-Tin, things do not happen like that! ...

Mr Ansart. — (F) This is a caricature, Mr Davignon!

Mr Davignon. — (F) As far as caricatures are concerned, that makes us even. I would simply like to say that one Article of the Treaty — since you claim that the workers are not consulted — lays down that all the decisions which the Commission takes in iron and steel must be submitted to a Consultative Committee, composed equally of representatives of producers and of the workers. And this is the reply to

another question by Mr Hoffmann: how are the workers and the trade unions consulted? They are consulted through the Consultative Committee, and take part in all the decisions we take, and the Commission can take no decisions without receiving its opinion. There are also joint committees between the Commission and the trade unions, on all industrial and social aspects concerning steel. Lastly, as regards discussions on the restructuring plan with the Member States, the Commission has asked that its consultations be held with producers and trade unions. This morning, for example, in Rome, I spent three hours with the general-secretaries of all the trade union confederations to discuss this problem of restructuring, of growth, and how to protect the future in the iron and steel industry of those who work in it, and to give an opportunity for a new future to those who will no longer be able to work there because of company changes. To say then that measures aimed at protecting the jobs of most of the workers in the iron and steel industry by making this effort to renovate iron and steel, and to create means to give new opportunities to those who have to leave the industry, is a policy directed at organizing unemployment and increasing or maintaining unemployment, and when I say this, I am not caricaturing. I am quoting, appears to me to go beyond objective judgments of our ability to succeed in this policy. You may be sceptical or anxious, but you cannot misrepresent our aims, these are the ways workers are involved in our action.

The Consultative Committee has unanimously drawn up a diagnosis of the structural nature of the crisis, and itself voted on resolutions requesting the Commission to open negotiations with Japan and the United States to ensure that the Community does not have to bear the burden of this restructuring alone, but that it be shared by the other major industrialized countries.

I did, a moment ago, forget — and I apologize — to reply to Mr Cousté's question, and not because our discussions have been secret. We are trying to move towards a crisis management with Japan and the United States because they are experiencing the same problems as ourselves. I would like to warn you about what will be Europe's fate if we do not carry out this restructuring. The Japanese have decided that their iron and steel industry is in crisis: however, the worst Japanese firm manufactures between 20 and 25 % in better conditions than the best European firm. The Japanese decided that they had too much capacity, that they had to reduce it and move into other sectors to ensure employment, so as not to get involved in extravagant costs (remember the 2 500 million losses I mentioned a moment ago, in spite of the 600 or 700 millions of national aid granted). So we are defining our objective, we are trying to determine the quantities of steel we must produce, and we are beginning discussions with the different States and companies, to

Davignon

ensure that the plan they follow is fully in keeping with those objectives.

This is where it is important to act. Although it is true that it is not up to the Commission to carry out industrial planning (one might possibly interpret the Treaty as giving it this power), nevertheless, having determined Europe's needs, having obtained the finance to assist this restructuring, and to introduce additional methods of creating new jobs, it has no choice, Mr Damseaux: it must reject any investment which does not correspond with the general programme or with the particular programme which has been laid down. What are the consequences of such rejection? No national aid can be granted for that investment without contravening the Treaty. It is true that the Member States are no longer fully independent since they entered the Community. The Treaty of Paris foresaw this and the time has come to make use of this. What is the advantage for the Member States? Each State may be sure that the restructuring programme it applies within the general programme will permit it to overcome its difficulties thanks to solidarity, financial assistance and the economic guarantees it needs for success.

Lastly, and this is a new feature, we are going to try to introduce these restructuring programmes, not solely on the old corporatist basis, that is to say, taking each firm on its own without taking into account the possibility of cooperation between firms, to improve products, and achieve a balance between supply and demand.

Mr Hoffmann, it is true that discussions are under way between several countries to ensure that industrial cooperation helps to make the operation a success, and to reduce investments and reduce loss of jobs. Why reduce investments and reduce job losses? Imagine two factories, 50 km apart, each too big for its own needs and for market demands: if each has to make the effort of reducing its plant by 20%, they will still be in an uneconomical situation. If, however, together, they can achieve a programme which uses 100% of the more modern installations for each of their firms, they will have lost fewer jobs, spent less money, and will be able to bear these economies with greater stability.

This is what I believe is important in this field.

As regards aid, which is a basic question, we have transmitted to the Council a document to be discussed together with the definition of the general objectives to ensure the necessary aid to see us through our difficulties. Mr Christiansen, it is true that a policy which consists of giving permanent aid is a policy which, in itself, does not produce results. I am no doctor, but nor am I a charlatan: I believe it is important to decide what we can achieve to move from one position to another, to facilitate the transition, and then to grant aid because it is in line with the objectives we have laid down. If the doctor gives

you a prescription which you then throw away, you cannot blame the doctor: there is a possibility of misuse of power which we must watch. Mr Schwörer asked me very pertinent questions: is the way we have chosen the only possible way? Or could we not in some way operate as we have done in the textile sector. In the textile sector we were in a situation where failure to respect the multifibre agreement by the Community, which was unable to adapt to this new instrument, that is to say the lack of a Community policy, was one of the principal reasons for our difficulties. By re-establishing Community solidarity and discovering what would be the rate of increase of imports over the next five years, the producers, who were extremely numerous and who were not facing the same disparity of supply and demand, were able to adjust to this situation and prevent a collapse in prices.

But in iron and steel, the cause of the fundamental structural difficulty is that not only has the market declined to an unprecedented extent, but at the same time new capacity has appeared on the market: demand has fallen, and supplies have risen. When the industry is working at 55% capacity — whereas the textile industry can work at 20 or 30% of capacity without stopping machines, we immobilize the whole industry and throw everyone out of work, or else we put the surplus quantities on the market at 100% less than cost price, which is at least better than not putting it on the market. This is the reason for the destructive price spiral which has forced the Commission to intervene in this field; if the producers had followed a rational and more reasonable policy, and attempted not to create a self-destructive situation, they could have avoided this. When we tried to do this by voluntary measures and common agreement, it did not work, but I can assure you that when these conditions return, that is to say, when there is no longer this extraordinary gap between supply and demand, we will be the first to abolish compulsory measures on prices which are contrary to our efforts at restructuring because obviously in the long run people might begin to believe that this artificial situation could last for ever, which is not the case.

You also asked to what extent our measures would be reflected in other sectors, and whether this was a model for an industrial and indeed structural and sectoral approach. I have already said often, and I repeat today: this is not the Commission's intention. The urgent action we are taking today — and this answers Mr Hoffmann's question too — is an attempt to develop a general strategy of economic growth in the Community, so as to encourage those industries where growth is possible, rather than concentrate on areas in difficulties.

If we are to re-direct resources, there must be areas to which they can be re-directed. This is what we must encourage, or else — and here Mr Ansart is quite right — the Community's image will be that of a

Davignon

Community which only supports emergency measures and measures for areas in difficulty, without offering any hope for the future, and this would be extremely dangerous. You mentioned also that there was a gap between domestic prices and export prices. This is exactly what we are trying to negotiate with the Americans, the Japanese and the developing countries; we hope that this world crisis will not force everyone to sell at prices which have no relation to economic reality. The more this gap is reduced, the more our restructuring programme is likely to succeed.

I pointed out to Mr Damseaux how important I felt it was that the Community should show solidarity: and the Commission is directly responsible for this. We are not going to evade these responsibilities and, in the field of aid and investment we will conduct a policy based on efficiency and not on ideology. What is important is to produce an industry which can stand on its own two feet, which can continue to benefit our economy rather than hold us back and create difficulties.

Mr Osborn, I will answer you briefly, because I have already dealt with a number of the points which you raised. It is perfectly true that we are in a situation where the developing countries will take the lions share of growth in the iron and steel industry: this is also in line with the nature of the Community. We are quite happy about this; we also believe that part of the Community's future growth will be through conquering new markets. These new markets will only exist if the rest of the world begins to develop because we are in a paradoxical situation: in the industrialized countries supply is outstripping demand at a time when world needs have never been greater because of the unfavourable economic situation.

He asked me a specific question and I will reply. As regards import prices, we will adjust them gradually, taking account of the increase in costs and the deterioration of exchange rates. At present we are holding consultations and in the month of June we will undoubtedly fix new prices to protect the Community from disturbances from the outside.

These, Mr President, are the replies, as brief as I have been able to make them — but the questions were numerous and specific — which the Commission wished to give. Perhaps I have spoken with a little too much passion and lapsed at times into caricature, as I tend to do, and if I did I would like to take some of the edge off my remarks, but I think that one cannot do otherwise on questions like these which are not merely technical, nor economic, they are political and social in the best of the word because they concern, in a basic industry to which we have all attached great importance, the fate of a large number of people. 25 years ago, those who signed the Treaty of Paris decided that the fate of these people would depend no longer on the individual State, but upon this new institution which they had created, which was Europe.

When one is faced with this kind of responsibility, one does speak with passion and tries to act with passion too.

President. — The debate is closed.

16. Regulations on social security schemes for self-employed persons

President. — The next item is the report (Doc. 87/78) by Mr Power on behalf of the Committee on Social Affairs, Employment and Education on the proposals from the Commission to the Council for

- I. a regulation concerning the adaptation of Regulation (EEC) No 1408/71 of 14 June 1971 on the application of social security schemes to employed persons and their families moving within the Community, with a view to applying it to self-employed persons and their families, and
- II. a regulation concerning the adaptation of the annexes to Regulation (EEC) No 1408/71 of 14 June 1971 on the application of social security schemes to employed persons and their families moving within the Community, with a view to applying it to self-employed persons and their families.

I call Mr Power.

Mr Power, rapporteur. — Mr President, I am honoured to present this report on behalf of the Committee on Social Affairs, Employment and Education. It is a rather important report, and the regulation and the report only apply to migrant workers moving within the Community. It is vital that we remember this, and might I make a personal comment with regard to the wording of the resolution which has come to us from the Commission? I feel that there is a deal of ambiguity in the actual wording of the resolution, because it deals with the regulation concerning the adaptation of Regulation No 1408/71 and also the adaptation of the annexes to that on the application of social security schemes to employed persons and their families moving within the Community with a view to applying it to self-employed people whether they are migrant or settled within the Community and I would hope possibly that the Commissioner might examine the situation and see if he would agree that the phrase 'moving within the Community' could be placed after 'families' in each case. This resolution is a necessary resolution, and I commend it to my fellow Members. While we as members of our own national parliaments will be very much aware of social security structures in each individual Member State — and in fact a discussion such as we will possibly have on this particular subject will show the present differences in approach from one country to another — we are here as Members of the European Parliament, and we cannot remedy any shortcomings at national level. Our duty will be to bring about coordination at Community level, and while we might make suggestions here, action at national level must come from each individual State.

Power

I would like now to deal with individual paragraphs. The first paragraph welcomes the Commission's proposals as a significant step towards the application of social security schemes to all categories of persons moving within the Community. That, in effect, means that we already cover the employed migrant, and this will cover the self-employed migrant. We agree that the step is limited, but it is significant. We do not feel that it is a final step. The first step in this matter, with regard to employed people, was taken in June 1971. This is a second step to deal with the self-employed, and we can only hope that the final steps will not take another seven years. So much for paragraph No 1. The context of what I am saying will arise again, I think, in paragraph 3.

Paragraph No 2 regrets that the time-limit laid down in the social action programme for the submission of the present proposals has been exceeded by a whole year. I would hope that no one would construe this as an apology on behalf of the committee, because it is not. The matter came before us three months ago, when I was chosen as rapporteur, and I think it is not the fault of the committee that there has been any delay in bringing the report before you.

Paragraph No 3 calls on the Commission to submit proposals for extending the Community rules on social security applicable to migrant workers to those members of the non-working population not yet covered by them. When this regulation is introduced we will have social security schemes for the employed and the self-employed. All workers will be covered in fact, and the only category of migrant that will not be covered is the person that is not working and possibly was never employed, such as the handicapped or women that are not in gainful employment or students or young people in search of work for the first time. We are all very conscious of this particular category now, and we would agree that they are a very vulnerable group who possibly are more in need of social security schemes than any other.

This paragraph expresses the concern of the committee for them and the hope that they will be covered in the future. But it is necessary to remember that for legal reasons our concern today can only extend to workers, and that is the reason why we cannot deal with this particular category who are not workers.

No 4 calls on the Commission also to submit proposals for the benefit of migrant workers and self-employed persons from third countries with a view to waiving nationality requirements in connection with entitlement to certain benefits, granting these workers the right to transfer to their own country pensions acquired while they were employed in the Community, and according them the right to aggregate their insurance periods in their own country and in one or other Member States for the purpose of acquiring the

right to benefits. This is self-explanatory. The proposal is based on social justice: the worker paid the contribution, and he is entitled to the benefit.

No 5 considers that to deny self-employed persons insured against unemployment in one Member State the right to claim unemployment benefits when residing in another Member State or when visiting another Member State to seek work represents a form of discrimination between them and employed persons which should be brought to an end as soon as possible. This paragraph refers to unemployment benefits, and it means that we say that the self-employed should be given equality with the employed person, and I might ask Mr Albers who has an amendment down, I think, on No 9 to consider whether what he wishes to have covered is sufficiently covered in paragraph 5.

No 6 emphasizes that family allowances for migrant workers and self-employed persons should be paid in every case in accordance with the legislation of the Member State in which the migrant worker or self-employed person is insured to ensure equal treatment for Community citizens. At present, there are differences between the different systems in force in the different countries, particularly with regard to family allowances and children's allowances as they are called in some places and we feel that there is a need for harmony here.

Paragraph 7 considers that the benefits due under independent schemes should not be reduced if the total amount of benefits to which the migrant worker or self-employed person is entitled exceeds the highest theoretical amount of benefits, seeing that the pensions due under independent schemes are granted on the basis of contributions made by the insured person. We feel that some insured people pay a lot of money in contributions, and it would not be right to set a maximum amount to the benefit that they should receive. They should get what they paid for without a limit, because self-employed people who opt for a personal type of insurance pay a particular premium, and they get the amount of coverage that they pay for. There is no question as to limit on that, and we feel that there should not be a limit in this case either.

Paragraph 8 deals particularly with the word 'invalidity'. It calls on the Commission to work out a Community definition of the term 'invalidity', in view of the fact that both the existing regulation on migrant workers and the present proposal for a regulation on self-employed persons refer to the laws of the individual Member States, and this could be detrimental to those categories of persons because of the different criteria applied, and the different laws. Invalidity has not the same meaning in each Member State, and what we need here is a common definition, if that can be worked out. I think it can.

Power

Paragraph 9 was one that got a fair amount of discussion at the committee meeting. It urges the Commission to consider recommending to the Member States the extension of social security benefits to all self-employed persons. There was great concern expressed by many members of the committee that because of the hope for implementation of this regulation the settled self-employed in some Member States might find themselves in an unfavourable position, and so we have urged the Commission to consider further proposals for internal social security schemes for all self-employed people.

The last paragraph — paragraph 10 — deals with an amendment suggesting the deletion of 20 words. The framers of the resolution request the deletion of these 20 words — the request came from the secretariat of the Council. I believe it is necessary for legal reasons, but I would like the Commissioner to accept my assurance as a person who was thankfully free of any legal training, that he is not to accept this as being construed literally to the very letter, but what we say here is the spirit of what we would like to say, and we will ask the Commissioner to accept it in that particular spirit.

Just a brief word on the amendments I have looked at. I think the amendments do not reflect any great difference of opinion between those who put down the amendments and the committee, and they do appear to be critical because we are not being specific in certain cases. I would like to mention that it is the feeling of the committee that we should not name individual nations. We should not single out any particular nation for praise, nor should we accuse them, and this is the attitude that we adopted.

I feel that the matters concerned are covered adequately in the report. I hope Parliament will agree with our stand in this matter, and I would ask you to accept our report.

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

Mr Albers. — (NL) Mr President, I should like to begin by congratulating Mr Power on his report which, broadly speaking, the Socialist Group can support. The matter under question is not devoid of importance. The aim of the proposal is to put an end to the discrimination between employed persons and self-employed persons moving from one Member State to another in the European Community.

The Socialist Group welcomes the Commission's proposal because we feel that social security should by no means be confined to employed persons but must also be extended to the self-employed, and, if possible, to people who do not carry on an occupation, as called for in paragraph 3 of the motion. Such people include housewives, students and people seeking jobs.

Under the rules on free movement in the European Community citizens of the Community may work

and establish themselves in another Member State. This right must naturally be accompanied by the transfer of rights acquired elsewhere.

I should like to point out to Mr Vredeling, however, that things look better on paper than they really are. Social security regulations contain provisions relating to unemployment and state that an unemployed person can enter another Member State in order to look for work and that he is then entitled to unemployment benefit if he is so entitled in another Member State. However, practice shows that legislation on aliens in certain Member States explicitly contradicts this principle. Even citizens of Member States who register in another Member State must be able to show that they can provide for their own subsistence; there is no automatic entitlement to unemployment benefit. Thus, difficulties arise at the national frontiers when a person cannot clearly show that he has sufficient resources to live on and I therefore think that it is vital that a more detailed study be made of the legislation on aliens in the various Member States and that efforts be made to achieve better coordination between them. The point is that at a time of increasing unemployment, which has by no means spared migrant workers, the latter are subject to even greater stress; the legislation on foreign workers can be interpreted in such a way as to erode the social rights acquired by these people.

To my regret, Mr President, I was not able to attend all the discussions on this subject in the Committee on Social Affairs, Employment and Education, but I must draw attention to a mistake in the report which states that the motion for a resolution was adopted unanimously. This is not the case since I deliberately abstained on a number of points on which I did not agree but, as I said, I was unable to take part in the discussion.

I have my doubts whether it is correct to say in paragraph 5 that there is discrimination between self-employed persons and employed persons as regards the payment of unemployment benefit. As I have just explained, there have always been and still are all manner of difficulties and I would therefore draw your attention to my Amendment No 3, which was intended to replace paragraph 9 of the resolution, but on second thoughts it should replace paragraph 5 since it explicitly states that the special system in Denmark with regard to unemployment benefit for the self-employed should be looked into more closely with a view to persuading other Member States to introduce a similar system. The present position is that Articles 69, 70 and 71 of the regulation concerning self-employed workers will not be applicable and that Danish citizens who have acquired certain rights will lose some of these rights if they move to other Member States. I repeat, therefore, that amendment No 3 should replace paragraph 5 and not paragraph 9.

Albers

Turning to the family allowances referred to in paragraph 6, Mr Power said that it is not our job to praise some countries and accuse others. That is all very well, but a few years ago we held a full debate on a proposal which the Commission submitted with the aim of putting an end to the divergent position of France with regard to family allowances. At that time we welcomed that proposal enthusiastically but we have since discovered to our regret that the appropriate decision was not taken in the Council of Ministers. This is a serious matter, however. It has come to my notice that Italian workers, for example, working in France — there are some — are seriously underprivileged inasmuch as the allowance they receive is not the allowance applicable in France but the allowance which is granted in Italy. This means, according to our statistics, that an Italian worker with three children gets 100 units of account too little per month. All sorts of theories are possible, of course, but there can be no doubt about the fact that the higher child allowance in France also implies that basic wages are relatively lower there.

In fact, an Italian worker employed in France and whose children are in Italy is underprivileged, not only compared to French workers but also compared to citizens from Italy living in Germany, for example, who receive the normal child allowance.

I have also decided to table an amendment to paragraph 8 which I feel does not go far enough. This paragraph states that a Community definition of the term 'invalidity' is desirable in view of the fact that the varying criteria applied might be detrimental to certain persons. Well, Mr President, I know countless cases of frontier workers who are not threatened by discrimination but actually suffer the effects of these various interpretations of the term 'invalidity'.

If we consider, for example, the group of workers who commute between the Netherlands and Germany, the situation is that a worker prevented from working by invalidity gets 80 % of his most recent wage in the Netherlands while in Germany much lower allowances are paid and sometimes none at all, with the result that workers are dependent for subsistence on national assistance in the Netherlands.

The purpose of my amendment, therefore, is to make it absolutely clear that a Community directive is necessary to define the term 'invalidity' and try to bring about harmonization in the Member States in this field. I also wanted to make it quite clear in my amendment that the existing arrangements are detrimental because of the different criteria applied in the various national laws.

Having thus explained I have tabled, I conclude by repeating that on the whole my group supports this proposal and also the report by Mr Power.

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

Mrs Kellett-Bowman. — Mr President, on the principle that even a small fragment of bread is better than none at all, my Group welcomes the Commissions' proposals, and congratulates Mr Power on his common sense and realistic approach to them. He has no more illusions about the scope of these proposals than we have ourselves. Nothing can persuade me to regard it as a significant step towards anything, and that is why we have tabled an amendment to welcome the proposals but consider them an insignificant step, which is, alas, also a year late.

The fault cannot, however be laid at the door of the Commission. For far too long governments in all the Member States have neglected the interests of the self-employed. Indeed, in the United Kingdom, they do not merely neglect them, they positively persecute them, and this has come to light even more emphatically over the last few days. This document cannot, by harmonization, give rights which do not exist in the Member States. I can, alas, only prevent discrimination against the citizens of one Member State by another Member State. At present, there is very grave discrimination, even within the same profession, among nationals of some Member States. Take for example, the case of two British doctors who go on holiday on the continent with their families. One of the doctors is a hospital doctor working for a national health service, and the other a general practitioner. Both families are taken ill and require medical treatment. The hospital doctor and his family can obtain it free, the general practitioner cannot. Now this absurd anomaly will be alleviated by the proposed regulations in that, beneforth, both will be treated the same, as the nationals of the state in which they are travelling. But it is necessary as Mr Power emphasized throughout his remarks, for Member States themselves to make a real effort to bring all the self-employed within all the social provisions of their respective Member States. So far only Denmark has done so. It was with this in mind that the Committee report urges the Commission in paragraph 9 to prod Member States in to extend internal social security schemes to all self-employed people. Only then can we truthfully say that we have abolished discrimination within and between Member States.

However, I would submit that abolishing discrimination between Member States is one thing, extending the abolition to third countries with nothing in return is quite another, social justice or not, so we do not agree with paragraph 4. On the other hand, we strongly support paragraph 7 since we regard it as quite indefensible to deprive people of pensions earned by contributions, by imposing a ceiling on benefits. Despite these few reservations, and small through the progress in the current proposals may be, my group does support the proposals and particularly the rapporteur in his efforts to extend them.

President. — I call Mr Vredeling.

Mr Vredeling, Vice President of the Commission — (NL) Mr President, I too should like to begin with a word of thanks to Mr Power, rapporteur of the Committee on Social Affairs, Employment and Education, for the report he has drawn up and the resolution he has prepared on this complicated subject. Indeed, few things are as complicated as social security. This will be evident from the statement I am now about to make, particularly when I stress that we must make certain distinctions when discussing the desirability and the need for example, to extend social security to the self-employed, for which Mrs Kellett-Bowman has just — and rightly so — made a plea. This is a matter which must be seen in its own context and not in the context of this regulation, which is about other things. Of course, you are entitled to express certain wishes, but that is something quite different from levelling criticism at this particular regulation. These are two quite different things. We have extended a regulation in order to cover the specific category of persons who, we feel, are entitled to such cover, namely the self-employed. The existing regulation, which was hitherto applicable only to employed persons, merely ensures coordination between the national social security systems. It does not involve harmonization or standardization, but coordination. A person moving from one country to another takes with him his entitlements in his country of origin to the host country, and then ensures that they are respected. I do not think it can be said too clearly that it is necessary to distinguish two things here. The basic point here is that, as I said, a person who is insured in his country of origin and thus enjoys certain rights in that country can exercise those rights in another Member State. In other words, a person who is insured in his own country can assert his rights in another country, though in accordance with the social security system applicable in that other Member State. It is in itself a straightforward principle but the implementation thereof has given rise to an extremely complicated system. The Commission has now proposed that the existing system for employed persons should be applied to the self-employed.

I am glad that Parliament is generally in favour of this proposal. The reason why this proposal could not be submitted earlier was that there were certain legal obstacles. I shall not burden you with the details of those legal obstacles, because fortunately they have now been removed and as a result it has now become possible to bring self-employed persons and their families within the purview of this regulation.

To save time, I shall, with your permission, conform myself to commenting on the individual paragraphs of the resolution, and the amendments. I shall not therefore need to speak a second time. I shall begin by trying to answer the rapporteur, Mr Power, who expressed the wish that the title of the proposals should be made clearer, since he felt that it was not clear from the title that the system which we are prop-

osing is applicable to self-employed persons and their families only when they are moving within the Community. My first reaction is to say that the text, at least in Dutch, could hardly give rise to misunderstanding in this respect. However, we shall examine whether it is necessary to make certain adjustments in the other languages. At first sight, however, I do not think that it will be necessary. Of course, the rapporteur is right when he says — and I too have said this — that this is not a final step in this area. It is, however, I think, a significant step inasmuch as we have now settled the matter of the social security of self-employed persons and their families when moving within the Community.

We can perhaps also do something for non-active persons. I shall go into this matter in greater detail in a few moments. In this connection I think that the following step, which I shall now explain, can be achieved in far less than 7 years. Indeed, it is more likely to be achieved in seven months. Mr Albers made a comment which I think merits some attention. He said that legislation on aliens was an obstacle to the exercise of the rights of unemployed persons moving from one Member State to another to look for work.

As far as I know, this reasoning is unfounded. Of course, an unemployed person must take with him a paper from the labour exchange in which he is registered, certifying that he is entitled to an allowance. If he shows his paper at the frontier, and is then treated as a person without means, something has gone wrong. It is not possible, because such a person does have adequate means, and can prove that he has a right to unemployment benefit. So I would invite Mr Albers to inform us of the specific cases of which he was thinking, so that we can investigate what, if anything, is going wrong in this area, and find suitable solutions. Should any significant and more fundamental problems arise, we shall be glad to hear from him. At the moment, all I can say is that I do not think it is possible for someone who is entitled to unemployment benefit, and can prove his entitlement, to be turned away at the border by the aliens police on the ground that he does not have adequate means of subsistence.

Turning now to the text of the motion for a resolution, I should like firstly to comment on paragraph 3 in which Parliament calls on the Commission to extend these rules to the non-working population — a category which we use call 'non-active persons'. That would mean that these Community arrangements would be applicable to all insured persons moving within the Community. Such arrangements involve the reimbursement of the cost of medical care received abroad for categories such as students, the handicapped, single people or young people looking for jobs for the first time and who cannot therefore claim entitlement to social benefits and so on.

Vredeling

The Commission fully agrees with the idea that has been put forward here. However, although the principle is in itself a straightforward one, here too implementation is an extremely complicated matter. We must therefore first investigate with the Commission experts the manner in which this principle can be applied, and during this consultation we shall of course ask experts from the Member States for their opinions.

I can assure you that this investigation will take place and that we shall treat this matter with — to use a French term as I cannot think of the Dutch equivalent — a 'préjugé favorable'. In other words, Mr President, we believe that a suitable solution must be found for this problem. I must, however, make one reservation, with regard to the amendments referred to I think in paragraph 10, dealing with the regulation itself. This contains a proposal, which Mr Power has explained, to the effect that certain words should be deleted. In the English text, 20 words would be deleted, in the Dutch text, 27; it clearly takes more words in Dutch than in English to say the same thing. But Mr Power has said that things might be done quite differently, and that is indeed the case. We are faced with a choice: should we settle this matter in this regulation, or in a separate regulation? We have not yet adopted a final decision on this, but at any rate a Commission proposal will be drawn up to settle this problem. First, however, we should investigate the most appropriate way, for legal and other reasons, of bringing this category of non-active persons within the ambit of this regulation.

In view of the fact that this regulation is applicable only to citizens of the Member States, the Commission is requested in paragraph 4 to submit proposals for the benefit of migrant workers and self-employed persons from third countries. In principle, Mr President, this request has the full sympathy of the Commission, but I must say again that this falls outside the scope of this regulation, which is concerned only with the free migration of citizens of the Community. I also have to inform you that in its resolution on the action programme for migrant workers the Council has deleted all reference to social security for migrants from certain countries. However, the problems of migrant workers from third countries will very shortly come up again for discussion during the accession negotiations with the three countries which have applied for membership — Greece, Portugal and Spain. The last two countries are particularly important in this respect. There are a large number of Spaniards and Portuguese, but also some Greeks, in our Community and the problem of free migration for this category of persons might be solved much more satisfactorily in the context of the negotiations on accession, given that this matter will then automatically come up for discussion. Finally, problems arising in connection with the free move-

ment of workers from certain countries are in fact being settled within the framework of bilateral agreements between the Member States and third countries, for example Yugoslavia. As far as the latter is concerned, Parliament will know that I have been advocating equal treatment for Yugoslavian workers employed in our Community.

Turning to paragraph 5 of the resolution, which refers to the situation in respect of unemployment benefits, I would point out that Denmark is the only country which has a system of unemployment benefits for the self-employed at the present time. In principle I would look favourably on the application of the regulation to this category of workers. I stress the words 'in principle', however, because the Commission feels that in the present situation there is some justification for excluding this category in view of the fact that there is no system of unemployment benefits for the self-employed in any of the other Member States. It is rather difficult to impose upon the whole Community something which is applicable only in one Member State.

Paragraph 6 of the resolution — to which Mr Albers also referred — draws attention to the divergent position of France with regard to the payment of family allowances on the basis of the rules applicable in the country in which such benefits are enjoyed. Mr Albers also referred to the proposal from the Commission to the Council of 10 April 1975 recommending that France should amend its system. Unfortunately, however, there is now deadlock on this issue in the Council and certain Member States are now supporting France against this Commission proposal. We are still investigating the matter but we do not want to allow discussion in the Council on this difficult issue to go on for so long as to jeopardize adoption of the relevant proposal. If we were to make the introduction of arrangements in this field subject to the issue of the French system we should be running the risk of having to wait far too long before the relevant regulation could be adopted.

Paragraph 7 states that the total amount of benefits should not be reduced if it exceeds the highest theoretical pension which can be enjoyed in a particular Member State. I would like to draw Parliament's attention to the fact that the Court of Justice has pronounced a judgment which is consistent with what Parliament wants but has subsequently authorized the Member States to apply this reduction themselves. This means that it cannot be applied as a Community measure but that a Member State can apply it at national level!

We are currently amending the regulations so as to prevent undesirable consequences arising from this judgement at national level and we shall be submitting a relevant proposal to the Council as soon as possible.

Vredeling

With regard to paragraph 8 of the resolution I would point out that harmonization of the term 'invalidity', described as desirable in the text of the resolution, of course falls outside the scope of the regulation. This is an extremely complicated but important matter and the Commission shares Parliament's concern that it should be settled.

We are currently preparing a study on the term 'invalidity' which includes a comparison of the national systems. Mr Albers has tabled an amendment to the effect that it is desirable for a directive to be enacted. I would not rule out this possibility and personally I hope that this will be the outcome of the discussions. I shall also, if it proves necessary, try to exert some influence in that direction. I am not fully acquainted with all the formal aspects of the matter but at least I have made my intentions clear to you.

With regard to the extension of social protection to the self-employed called for in paragraph 9 I have already said that this matter does not fall within the scope of this coordinating regulation. We are investigating what steps might be taken in this area to extend social security to this category of persons. But in my opinion this obviously important and many-sided issue is part of the general problem of social security in our Community and I would draw Parliament's attention to the fact that we have already raised this issue, this extremely wide-ranging issue, in the context of economic and monetary union. In this context there has been talk of the need to establish certain minimum standards in respect of social security and would obviously include arrangements for the self-employed.

President. — I note that no one else wishes to speak.

The debate is closed. The motion for a resolution, together with the amendments that have been tabled so far, will be put to the vote tomorrow during voting-time.

The debate is closed.

17. Regulation on the market in wine

President. — The last item is the motion for a resolution (Doc. 105/78) tabled by Mr Ligios, Mr Pisoni, Mr Pucci, Mr Brugger, Mr Granelli, Mr Vernaschi, Mr Bersani, Mr Ripamonti, Mr Martinelli, Mr Fioret, Mrs Cassanmagnago Cerretti, Mr Tolman, Mr Noè and Mr McDonald on behalf of the Christian-Democratic Group (EPP)

proposals from the Commission to the Council for :

- I. a regulation establishing a European joint-trade table wine organization, and
- II. a regulation amending Regulation (EEC) No 816/70 laying down additional provisions for the common organization of the market in wine.

I call Mr Martinelli.

Mr Martinelli. — (*J*) As Mr Ligios cannot be present because of serious and unavoidable commitments in the Italian Senate, I am deputizing for him in explaining the motion for a resolution tabled by the Christian-Democratic Group, the purpose of which is to reject completely the Commission proposals on table wine and the organization of the market in wine. The Christian-Democratic Group's motion for a resolution questions the Commission's entire policy on this matter and invites it to submit more realistic proposals that will take account in an objective manner of the various interests at stake.

Our main objection is to the introduction of a minimum price for intra-Community trade in table wines. This is a radical innovation in the common agricultural policy. It stipulates that, where production estimates indicate market crisis or where wine prices fall to a level of 25 % below the guide price, the Council can introduce a minimum price fixed at 70 % of the guide price.

In the nature of things a minimum price of this kind would end up as a permanent distillation price, since at times of crisis the wine would be sent for distillation at the fixed minimum price.

This would have the effect then of providing a guaranteed outlet for wine production of poor quality, which would be sent for distillation at 70 % of the guide price and would not be obliged to find its own market. I think you will all appreciate that this arrangement would set up an extremely dangerous precedent. I would remind you that the French National Federation of Fruit Producers has already decided to ask that a minimum intra-Community price be fixed for the fruit trade, along the lines of the Commission proposals on wine. If this were permitted, there is no need to tell you that a minimum price would be requested also for the more important products of the agricultural sector, for example, for milk, pigmeat, beef and veal, imports of which from France and Germany into Italy cause serious difficulties for Italian producers. Another point that is clear to all of us is that any measures to step up distillation of wine would only exacerbate the serious difficulties already being encountered in the alcohol sector, which has to contend with enormous surpluses. In Italy, the organization of this sector has to cope with unsold stocks of the order of 700 000 hectolitres for which the management costs are extremely high.

It is not only, however, the problem of the minimum price which should prompt the Commission to be more prudent in drafting its proposals, but also the consideration that the introduction of a minimum price must inevitably be followed by the introduction of Community intervention in table wines.

Martinelli

The fact that the Commission proposals would force wine producers to block sales of part of their production for a period that could be as long as six months (the mere reimbursement of the technical costs of storage and of interest on bank loans is of no great significance economically) would constitute discrimination against them.

Blockage of sales would be justified only if accompanied by a policy of guaranteed Community intervention; otherwise it would, as I have said, constitute discrimination between producers in the various sectors. Indeed, the Court of Justice has handed down verdicts to this effect in similar cases.

The other Commission proposal for the establishment of a European interprofessional organization for table wines, which would operate at regional and national level, does merit some consideration. Of all the proposals contained in the Commission document, this is the least difficult to accept, even though I should point out that in Italy, for example, there is no organization of this kind and that it would take a considerable length of time to set it up, while the most important duties that the Commission would entrust to this European interprofessional organization could also be carried out by already existing bodies, such as, for example, the EEC's Consultative Committee on Wine. I should also point out that in no other sector has an organization of this kind actually been established.

Before concluding, however, I should like to suggest some alternative solutions.

With a figure of 225 million EUA wine takes only 3 % of the total expenditure of the EAGGF, Guarantee Section, which is about 7 000 million EUA, as against 41.3 % for milk (2 900 million EUA), even though wine and milk account for 4.6 % and 18.7 % respectively of the value of the Community's final agricultural production. Instead of laying down such rigid regulations for the wine sector, would it not be possible for the Commission in the light of the above figures

- to adopt measures to promote the consumption of wine in countries where it is still quite limited, mainly because of excessive taxation;
- to encourage the use of concentrated musts to raise the alcohol content of low-grade wines, instead of sugaring them;
- to increase the production and consumption of grape juices;
- to adopt structural measures to improve the quality of vineyards?

In conclusion, it seems to me to be quite unnecessary to recall that in the resolution on the fixing of agricultural prices for the 1978/79 marketing year adopted by Parliament on 16 March of this year — not quite two months ago — it clearly rejected 'the proposal to introduce the principle of a minimum price for wine

marketing because this is a partial and punitive measure which is liable to result in an excessive increase in distillation costs'.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Mr President, as the honourable member is aware, Mr Gundelach is not resting but taking part in Brussels in the Council meeting on the prices for the next marketing year and that is the reason he cannot be here tonight.

I listened with the greatest attention to the speech, both firm and measured in its presentation, on the review. I think that one feature to which the Commission attaches the greatest importance should be stressed. That is that the basis of the Commission's proposal on this point is that the Commission should draw up and the Council take a decision on a number of fundamental structural measures, so that this crisis, which is the only reason why such measures should operate, should not come about. The problem we face when dealing with a policy aimed at structural measures is that there is always a gap between the time when the measures are taken and the time when the expected results are achieved. We must therefore take a number of provisions to meet unexpected situations which might arise before the objectives of the structural measures are achieved. This is why the Commission has made provision, should a crisis arise and should a certain number of conditions exist, for the possibility of using the measures which have been advocated and which appear to the Commission the best adapted or easiest to implement and the most effective to cope with the situation. It is true that during the discussions at present under way in Brussels and in the context of the overall compromise which the Council will have to reach, a certain number of alterations have been introduced on which Parliament will have to be consulted since these are alterations to the Commission's original proposals. Parliament will have plenty of time to take part in further discussions on this question and it is well aware that in agriculture particularly Mr Gundelach is always careful to take into account both in committee and in public of the opinions put to him. There is therefore in the discussion a certain simplification of the system which makes it clear that it is only if preventive distillation measures such as those already laid down or long-term storage contracts fail to restore a satisfactory balance on the market and when the representative price for one type of wine remains 15 % below the guide price for three consecutive weeks — that is to say a whole series of conditions which have to exist before the situation can be described as a crisis — that measures for the distillation of certain wines can be decided. And in this context it is the Council which will decide, on a proposal by the Commission, to what extent the general rules covering

Davignon

distillation and the conditions in which it is to be carried out require the definition of criteria for fixing the amount of the aid, to permit the marketing of the products obtained, so as not to create extra difficulties in the field of distillation. All these elements have to be taken into consideration and it is clear that the price paid by the distiller to avoid difficulties on the market must be equivalent to the purchasing price and not lower than it, otherwise there would be distortions at that level.

So, Mr President, this is how the Commission views the situation: the Commission's priority is still a redirection of production to achieve this balance on the market, this is our fundamental aim and it is to this end that we will propose suitable measures. During the interim period, which cannot extend beyond 1982 — that is to say before the structural measures have produced their fruit, if a special crisis arises, and it has already decided what the criteria will be — this system will have to be used both for distillation and for minimum prices as they have been defined, that is to say during this period we will have to prohibit all sales of table wine of the type in question at less than 80 % of the guide price. This is, then, a minimum price except as regards deliveries to distillation. Lastly, in this context we will need rules to prevent the situation deteriorating. This is part of the general package to which the Commission — for the reasons which I have indicated — continues to attach the greatest importance.

President. — I call Mr Martinelli.

Mr Martinelli. — (I) Mr President, if I understood the Commissioner's speech correctly — because, while it was couched in very clear language, it was obvious that there were subtle nuances in the message — the Commission intends to stand by its proposal on the introduction of a minimum price for table wines, though, according to reports I have heard from the Council's discussions, it may accept some procedural amendments. To me the most important point

is that Mr Davignon has assured us that these proposals will have to be submitted to Parliament again at a later date, together with the amendments arising from the decisions to be adopted tomorrow by the Council, and that our Assembly will then have a further opportunity to consider the whole matter.

Since I cannot consult with my colleagues in the Group tonight, I reserve the right to tell you tomorrow before the voting whether my Group wishes to put the motion for a resolution to the vote or to withdraw it.

President. — I note that no one else wishes to speak. The motion for a resolution, together with the amendments that have been tabled, will be put to the vote tomorrow during voting-time.

The debate is closed.

18. Agenda for next sitting

President. — The next sitting will be tomorrow, Wednesday, 10 May 1978, with the following agenda:

10.00 a.m. and in the afternoon:

- Radoux report on the outcome of the Belgrade meeting;
- Patijn report on elections to the European Parliament by direct universal suffrage;
- Oral question, with debate, to the Council on the Council of Ministers;
- Cointat report on draft supplementary budget No 3 of the European Communities;
- Joint debate on the Schmidt and Corrie reports and 4 oral questions with debate on fisheries;
- Motion for a resolution on the respect of human rights in Uruguay, and
- Motion for a resolution on certain violations of human rights in Argentina.

3.00 p.m.: Question Time (Questions to the Council and the Foreign Ministers)

4.30 p.m.: Voting-time

The sitting is closed.

(The sitting was closed at 11.35 p.m.)

SITTING OF WEDNESDAY, 10 MAY 1978

Contents

1. Approval of minutes	122	<i>Question No 26, by Mr Hoffmann: Community loan of 1 000 million EUA: Mr K.B. Andersen, President-in-Office of the Council; Mr Hoffmann; Mr K.B. Andersen</i>	142
2. Welcome	122	<i>Question No 27, by Mr Herbert: Protocol 30 to the Treaty of Accession: Mr K.B. Andersen; Mr Herbert; Mr K.B. Andersen; Mr Kavanagh; Mr K.B. Andersen</i>	143
3. Point of order <i>Mr Fellermaier; Mr Jenkins, President of the Commission</i>	122	<i>Question No 28, by Mrs Ewing: Common fishing policy: Mr K.B. Andersen; Mrs Ewing; Mr K.B. Andersen; Mr Corrie; Mr K.B. Andersen; Mr Nyborg; Mr K.B. Andersen; Mr L'Estrange; Mr K.B. Andersen; Mr Prescott</i>	143
4. Outcome of the Belgrade meeting (CSCE) — Report drawn up by Mr Radoux on behalf of the Political Affairs Committee (Doc. 76/78): <i>Mr Radoux, rapporteur</i>	123	<i>Question No 29, by Mr Cousté (see Annex)</i>	144
<i>Mr Sieglerschmidt on behalf of the Socialist Group; Mr Jahm on behalf of the Christian-Democratic Group (EPP Group); Mr Bettiza on behalf of the Liberal and Democratic Group; Mr Brugha on behalf of the Group of European Progressive Democrats; Lord Bethell on behalf of the European Conservative Group; Mr Bertrand; Mr Dankert; Mr Jung; Mrs Ewing; Mr Dalyell; Mr K.B. Andersen, President-in-Office of the Council; Mr Davignon, Member of the Commission</i>	125	<i>Question No 30, by Mr Osborn: Limitation of imports: Mr K.B. Andersen; Mr Osborn; Mr K.B. Andersen; Mr Scott-Hopkins; Mr K.B. Andersen</i>	144
5. Elections to the European Parliament by direct universal suffrage — Report drawn up by Mr Patijn on behalf of the Political Affairs Committee (Doc. 65/78): <i>Mr Patijn, rapporteur</i>	140	<i>Question No 31, by Mr Shaw: Illegal Council regulations: Mr K.B. Andersen; Mr Shaw; Mr K.B. Andersen; Sir Geoffrey de Freitas; Mr K.B. Andersen</i>	145
6. Statement by the President	141	<i>Question No 32, by Mr Howell: Identity cards: Mr K.B. Andersen; Mr Howell; Mr K.B. Andersen; Mr Radoux; Mr K.B. Andersen; Mr Cointat; Mr K.B. Andersen; Mr Jakobsen; Mr K.B. Andersen; Lord Bethell; Mr K.B. Andersen; Mr Fellermaier; Mr K.B. Andersen; Mr Leonardi; Mr K.B. Andersen; Mr Aigner; Mr K.B. Andersen</i>	146
7. Membership of committees	141	<i>Question No 33, by Mr Normanton: Member States' subsidies:</i>	
8. Agenda <i>Point of order: Mr Fellermaier</i> <i>Mr Scott-Hopkins; Mrs Ewing</i>	142		
9. Question Time (Doc. 98/78) <i>Questions to the Council of the European Communities: Question No 25, by Mrs Cassanmagnago Cerretti (see Annex)</i>	142		

<i>Mr K.B. Andersen; Mr Normanton; Mr K.B. Andersen; Mr Prescott; Mr K.B. Andersen; Mr Edwards; Mr K.B. Andersen; Mrs Kellett-Bowman</i>	147	<i>Amendment to Article 2 of the proposal for a regulation:</i>	
<i>Question No 34, by Mr Hamilton (see Annex)</i>		<i>Mr McDonald, rapporteur</i>	155
<i>Question No 35, by Mr Stetter: Human rights and the ACP-EEC Convention:</i>		<i>Amendment to Article 3 of the proposal for a regulation:</i>	
<i>Mr K.B. Andersen; Mr Stetter; Mr K.B. Andersen; Mr Fletcher-Cooke; Mr K.B. Andersen; Sir Derek Walker-Smith; Mr K.B. Andersen; Mr Mitchell; Mr K.B. Andersen; Mr Aigner; Mr K.B. Andersen</i>	148	<i>Mr McDonald</i>	155
<i>Questions to the Foreign Ministers meeting in political cooperation:</i>		<i>Amendment to Article 6 of the proposal for a regulation:</i>	
<i>Question No 39, by Mr Dankert: Export of uranium from South Africa to the European Community:</i>		<i>Mr McDonald</i>	155
<i>Mr K.B. Andersen; Mr Dankert; Mr K.B. Andersen; Mrs Dunwoody; Mr K.B. Andersen; Mr Fuchs; Mr K.B. Andersen; Mr Normanton; Mr K.B. Andersen</i>	150	<i>Adoption of the resolution</i>	155
<i>Question No 40, by Mr Osborn: Impact of the Code of Practice in South Africa:</i>		<i>Nyborg motion for a resolution (Doc. 81/78): Shipping:</i>	
<i>Mr K.B. Andersen; Mr Osborn; Mr K.B. Andersen; Mr Patijn; Mr K.B. Andersen; Mrs Dunwoody; Mr K.B. Andersen; Mr Fellermaier; Mr K.B. Andersen</i>	151	<i>Amendment after the first indent of the preamble</i>	
<i>Question No 41, by Mr Bordu (withdrawn)</i>		<i>Amendment to the last indent of the preamble</i>	
<i>Questions Nos 42, by Mr Broeksx, and 46, by Mrs Ewing: Terrorism and control of arms sales:</i>		<i>Amendment after paragraph 1</i>	
<i>Mr K.B. Andersen; Mr Broeksx; Mr K.B. Andersen; Mr Dalyell; Mr K.B. Andersen; Mrs Ewing; Mr K.B. Andersen</i>	152	<i>Adoption of the resolution</i>	156
<i>Question No 43, by Lord Reay: Soviet intervention in the Horn of Africa:</i>		<i>Guerlin report (Doc. 82/78): Directive on home study courses:</i>	
<i>Mr K.B. Andersen; Lord Reay; Mr K.B. Andersen; Mr Spicer; Mr K.B. Andersen; Mr L'Estrange; Mr K.B. Andersen; Mr Petersen; Mr K.B. Andersen</i>	152	<i>Amendment after paragraph 1:</i>	
<i>Question No 44, by Mr Jakobsen: Rejection of the Salisbury agreement:</i>		<i>Mr Guerlin, rapporteur</i>	156
<i>Mr K.B. Andersen; Mr Jakobsen; Mr K.B. Andersen; Mr Spicer; Mr K.B. Andersen; Sir Derek Walker-Smith; Mr K.B. Andersen</i>	154	<i>Amendment after paragraph 3:</i>	
10. <i>Votes</i>		<i>Mr Guerlin</i>	156
<i>Mr Noè report (Doc. 49/78): Efficient air traffic control:</i>		<i>Amendment after paragraph 4:</i>	
<i>Adoption of the resolution</i>	155	<i>Mr Guerlin</i>	156
<i>McDonald report (Doc. 47/78) Shipping:</i>		<i>Adoption of the resolution</i>	156
		<i>Power report (Doc. 87/78): Regulations on social security schemes for self-employed persons:</i>	
		<i>Point of order: Mrs Kellett-Bowman</i>	156
		<i>Amendment to paragraph 1:</i>	
		<i>Mr Power, rapporteur</i>	157
		<i>Point of order: Mr Albers</i>	157
		<i>Amendment to paragraph 5:</i>	
		<i>Mr Power; Mr Albers</i>	157
		<i>Amendment to paragraph 6:</i>	
		<i>Mr Power</i>	157
		<i>Amendment to paragraph 8:</i>	
		<i>Mr Power</i>	157
		<i>Oral amendment to paragraph 10:</i>	
		<i>Mr Power</i>	158
		<i>Adoption of the resolution</i>	158
		<i>Ligios motion for a resolution (Doc. 105/78): Regulations on the wine market:</i>	
		<i>Mr Martinelli</i>	158
		<i>Radoux report (Doc. 76/78): Outcome of the Belgrade meeting (CSCE):</i>	
		<i>Point of order: Mr Radoux, rapporteur</i>	158

<i>Amendment to paragraph 1:</i>		<i>Mr Cointat, rapporteur</i>	167
<i>Mr Radoux</i>	158	<i>Mr Dalyell; Mr K.B. Andersen</i>	167
<i>Amendment to paragraph 2:</i>		14. <i>Human rights in Uruguay — Motion for a resolution tabled by Mr Patijn and others (Doc. (Doc. 84/78):</i>	
<i>Mr Radoux</i>	158	<i>Mr Patijn</i>	169
<i>Amendment to paragraph 3:</i>		<i>Mr Vandewiele on behalf of the Christian-Democratic Group (EPP Group); Mr Scott-Hopkins on behalf of the European Conservative Group; Mr Jenkins, President of the Commission; Mr K.B. Andersen, President-in-Office of the Foreign Ministers; Mr Ellis; Mr Scott-Hopkins; Mr Patijn</i>	170
<i>Mr Radoux</i>	159	15. <i>Human rights in Argentina — Motion for a resolution tabled by Mr Fellermaier and Mr Prescott on behalf of the Socialist Group (Doc. 109/78):</i>	
<i>Amendment after paragraph 11:</i>		<i>Mr Prescott</i>	172
<i>Mr Radoux</i>	159	<i>Mr Lücker on behalf of the Christian-Democratic Group (EPP Group); Mr Fellermaier; Mr Lücker; Mr Fellermaier; Mr Lücker; Mr Seefeld on behalf of the Socialist Group; Mr Scott-Hopkins on behalf of the European Conservative Group; Mr Bertrand; Mr Jenkins, President of the Commission; Mr Dalyell; Mr Fellermaier</i>	174
<i>Adoption of the resolution</i>	159	<i>Points of order: Sir Geoffrey de Freitas; Mr Holst; Mr Fellermaier; Mr Holst; Mr Lücker; Mr Fellermaier; Mr Scott-Hopkins; Mr Bertrand; Mr K.B. Andersen, President-in-Office of the Foreign Ministers</i>	182
11. <i>Elections to the European Parliament by direct universal suffrage (continued):</i>		16. <i>Agenda for next sitting</i>	186
<i>Mr Leonardi on behalf of the Communist and Allies Group; Mr Bangemann on behalf of the Liberal and Democratic Group; Mr K.B. Andersen, President-in-Office of the Council; Mr Jenkins, President of the Commission</i>	159	<i>Annex</i>	187
12. <i>Oral question with debate: Council of Ministers (Doc. 66/78):</i>			
<i>Mr Corrie, author of the question</i>	161		
<i>Mr K.B. Andersen, President-in-Office of the Council; Sir Geoffrey de Freitas on behalf of the Socialist Group; Mr Rivierez on behalf of the Group of European Progressive Democrats; Lord Reay; Mr K.B. Andersen</i>	162		
13. <i>Budgetary questions concerning the Court of Auditors — Report drawn up by Mr Cointat on behalf of the Committee on Budgets (Doc. 113/78):</i>			
<i>Mr K.B. Andersen, President-in-Office of the Council</i>	166		

IN THE CHAIR : MR BERKHOUWER

Vice-President

(The sitting was opened at 10.20 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. *Welcome*

President. — Ladies and gentlemen, on behalf of our Parliament I should like to welcome to the official

gallery the delegation from the Grand National Assembly of Turkey to the Joint Parliamentary Committee of the EEC-Turkey Association, headed by its President, Mr Orhan Vural. I am sure that I speak for all the Members of our Parliament when I tell our Turkish colleagues how pleased we are at the resumption of contacts between our two assemblies after an interruption of more than a year. I wish all the participants great success in their future work.

3. *Point of order*

President. — Do you wish to speak, Mr Fellermaier?

Mr Fellermaier. — (D) Mr President, in accordance with Rule 31 A of the Rules of Procedure, I should like to make a personal statement.

Fellermaier

Yesterday there was an argument between speakers from my Group and Mr Burke, Member of the Commission, about the absence of Members of the Commission. I should like to take this opportunity of asking the President of the Commission, Mr Jenkins, to make a statement on behalf of the Commission before Question Time today to the effect that the right of each Member of Parliament, as guaranteed by Question Time in every national Parliament and in the European Parliament, will in future be better upheld if the Members of the Commission with the political responsibility in their specialized fields are available to answer Members' questions during Question Time and if we avoid a repetition of yesterday's situation in which one Member of the Commission was forced to give replies covering the most varied fields, which of course meant that some of the replies were unsatisfactory.

(Applause from various quarters)

President. — I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Mr President, it is certainly the desire and intention of the Commission that we should be able to give satisfactory replies to Parliament. I take the question of how we deal with Parliament on these matters very seriously and indeed, we have been discussing at our Commission meeting this morning how we can better handle these affairs in the future. There is, as you will know, a long history of our endeavours to get questions grouped and secure a greater degree of predictability as to when questions will be asked. I do not think it is possible to say that one Commissioner will never have to answer for another whose responsibility is directly involved, but I think we ought to endeavour to avoid this as far as possible.

I wish the Parliament would help us by a little more grouping and predictability of questions, but I am equally anxious to help the Parliament by a stronger attendance of Commissioners here, particularly at Question Time on Tuesday and Thursday. We have applied ourselves to that already and, while nothing will ever be perfect, I hope that from the June part-session forward we will be able to reach a more satisfactory system.

We have already considered in some detail the point which Mr Fellermaier has put to the House and I can assure him that we will pursue this in order to ensure, as far as possible, that the responsible Commissioners are here to answer questions in their field, that, when they are not, the others are thoroughly briefed and that, in any event, we have a stronger Commission presence in this Chamber on the day of Commission Question time.

(Applause)

4. Outcome of the Belgrade meeting (CSCE)

President. — The next item is the report drawn up by Mr Radoux on behalf of the Political Affairs

Committee on the outcome of the Belgrade meeting as provided for by the Final Act of the Helsinki Conference on Security and Cooperation in Europe (Doc. 76/78).

I call Mr Radoux.

Mr Radoux, rapporteur. — *(F)* Mr President, ladies and gentlemen, I can be fairly brief as the motion before the House was adopted unanimously at the committee stage.

With this resolution, we note that, at the Belgrade meeting, the representatives of the participating States held a wide-ranging and frank exchange of views on the implementation of the provisions of the Final Act of Helsinki. We emphasize that the implementation of all the provisions of the Final Act is essential to the development of the process of détente, and we also note that the multilateral process which began in Helsinki has been continued. This means that a further review of the implementation of the provisions of the Final Act can be made in Madrid in 1980.

As for what was achieved between 1975 and 1977, we regret that there were instances of failure to comply with certain provisions of the Final Act and that, in the terms of the final document, differing points of view were expressed as to the degree of implementation achieved so far. We note with deep concern that certain of the preoccupations expressed by the Governments of the Nine Member States concerning the human dimension of the Final Act were not reflected in the final document as they should have been, notably as regards respect for human rights and fundamental freedoms. It is the view of our Committee that discussions on human rights between the signatory states of the final Act do not constitute interference in the internal affairs of states. Lastly, with our resolution we congratulate the Governments of the Nine Member States of the Community for maintaining at the Belgrade meeting a very broad identity of view expressed by the Commission, within its sphere of competence, and by the representatives of the President-in-Office of the Council.

Mr President, ladies and gentlemen, within the European institutions there are a number of working parties which have been created in anticipation of the conference to be held in Madrid in two years' time. Our Committee feels that these groups should make every effort to ensure the success of the three meetings to be held before 1980. The first will take place next month when, upon the invitation of the Government of the Federal Republic of Germany, a meeting will be held in order to prepare a Scientific Forum. Then, at the end of October this year, there will be the meeting, held at the invitation of the Government of Switzerland, to examine a method for the peaceful settlement of disputes. Finally, in Malta next February,

Radoux

there will be a meeting on the problems of the Mediterranean countries, apart from those relating to security.

There are one or two other points I should like to make concerning this motion for a resolution.

Firstly, the purpose of the multilateral process of the Conference on Security and Cooperation in Europe is not to encourage confrontation. However, détente does not do away with the confrontation of opposing ideologies. There is no reconciliation but continued opposition between two different ways of life, but this opposition uses peaceful means. Furthermore, the exchange of views in Belgrade could hardly be called thorough if, as I have just said, a number of fundamental differences were ignored.

Secondly, the final document was not as forceful as the West would have liked, but the progress made in the Final Act was retained and confirmed. The concluding document states, in fact, that 'the representatives of the participating States ... reaffirmed the resolve of their Governments to implement fully ... all provisions of the Final Act'.

How, then, are we to interpret and judge the Belgrade Conference? We could say that it marks the beginning of a multilateral dialogue on matters which until now have never figured on the agenda for East-West talks, and that the continuation of this process has been ensured through the active presence and, let me add, the active cooperation of the neutral and non-aligned nations of Europe. The Conference has shown that, even if the political will to implement all the provisions of the Final Act were shared by all sides, progress in a number of sectors would at best be very slow and would sorely tax our perseverance and patience. The Conference has shown, in fact, that the human dimension of the Final Act has not been adequately developed and that continued efforts in this respect are essential in order to dispel the distrust which exists and to encourage détente.

Mr President, ladies and gentlemen, despite the deep disappointment which has been experienced until now by the West and a few other countries in the two groups which make up the 35 countries involved, the meetings in Helsinki and Belgrade have nevertheless produced one important innovation — the introduction of multilateral diplomacy. This is no replacement or substitute for bilateral diplomacy and unilateral initiatives. Very little has been achieved, for example, in the realm of security. Consequently, when the UN extraordinary session devoted solely to disarmament is opened, our Community must encourage some initial progress in this area on projects which are in abeyance.

A number of issues are involved. Firstly, there is the completion of a second agreement on strategic

weapons between the United States and the Soviet Union. Secondly, there is the conclusion of a first agreement on the reduction of forces and arms in central Europe. These projects are closely connected with Belgrade and were — you will remember — a basic condition laid down by Europe at the Helsinki Conference on Security and Cooperation. Thirdly, we have to strive for an end to underground nuclear tests and thus put the final touch to the agreement signed in 1974 by three of the countries present in Belgrade — the United Kingdom, the Soviet Union and the United States. Fourthly, we have to work towards the elimination of chemical weapons in order to complete the 1972 treaty on biological weapons.

There was also very little achieved in Belgrade with regard to economic problems. There were more than 120 proposals, but as a result of continuing disagreement only the three meetings I mentioned earlier could be arranged.

I feel that, in the very near future, the Community will have to improve its relations with Comecon and the member countries of this organization and also encourage progress within the UN Economic Committee in Geneva.

I said a moment ago that bilateral relations and unilateral initiatives should not be forgotten as a result of these multilateral relations. Personally, I should like to welcome and stress the importance of the recent joint decision by the Soviet Union and the Federal Republic of Germany. As I see it, this is all part of the changing pattern of relations between East and West in recent years, and I feel that we should all welcome this agreement signed by one of the major Member States of the Community.

Turning to the problem of human rights, I have twice had the opportunity in the past of expressing my view to the House. As you know, the problem here is the conflict which has been pointed out in some quarters between Paragraph 6 of the Helsinki agreement — concerning non-intervention in internal affairs — and Paragraph 7 which deals with respect for human rights. I shall summarize what I have previously said at greater length in the House, that is, that in my opinion there can be no interference in the internal affairs of a State when we are discussing things that it has been decided to attempt together. This was the case in Helsinki, and again in Belgrade. It will also be the case in Madrid in two years' time. If you are going to counter the respect for human rights with the principle of non-intervention, deadlock is inevitable. Let me point out to Parliament that failure in this sphere will then also be inevitable, and failure here could well jeopardize any progress in other sectors.

I want, therefore, to make two suggestions. The first concerns this Community of ours. I feel it should be the task of one of the Commission's special working

Radoux

parties, and of the relevant working parties of the Council of Ministers, to take a look at this question of how Paragraphs 6 and 7 relate to each other. They should try to find out, looking at the matter both politically and legally, how these two principles can be interpreted in a positive manner so that, by applying the one, we do not hinder the application of the other.

Secondly, once we have settled this question within the Community, we ought to establish bilateral, and possibly even multilateral, contacts with the authorities in Eastern Europe in order to discuss the problem. A gradual solution would be the right approach, for the reason I gave a moment ago.

Mr President, ladies and gentlemen, with the presence and participation I mentioned earlier of the neutral and non-aligned nations of Europe, the West — and Europe in particular — has opted to go along with the process of détente within the framework of the Conference on Security and Cooperation in Europe. This conference is not the sole element in détente, but it is a vital part of it.

The alternative is to go back to the situation as it was before Helsinki. It is precisely because I feel that it is in the interest of the 35 participating countries not to veer from the path they set out on in 1975 that I suggest they stick to it. Consequently, I call on Parliament to follow the example of the Political Affairs Committee and to adopt this resolution unanimously.

(Applause)

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

Mr Sieglerschmidt. — *(D)* Mr President, ladies and gentlemen, many of us — indeed, I would almost say all of us — are dissatisfied with the outcome of the Belgrade meeting. Many of us will be disappointed, but I always wonder whether those who are very disappointed really appreciate the kind of process involved. Even in the European Community, in the case of countries whose philosophies and social and political traditions have much in common, we see how difficult it is to improve integration and overcome these various traditions; and — shameful though it is to admit — we can't even agree on an election date! When we compare this with the mammoth task of getting two groups with different social and economic systems to achieve a large measure of agreement and détente, I believe great patience is called for. This doesn't mean that we should merely stand by and let events take their course, but we should not be disappointed, discouraged or embittered if progress is not so fast as expected. We should also consider the long-term significance of our efforts.

Mr President, what particularly concerns us today with regard to the Final Act of the Helsinki Conference

and the Belgrade meeting is the relationship between détente and the safeguarding of human rights. I should like to repeat something which I have already said in this House concerning this relationship. If we define détente as an attempt to secure peace in Europe and the world, then it is clearly of fundamental importance for the protection of human rights, for without world peace human rights cannot be protected. What is more, there can be no doubt that human rights can be better protected in areas where there is still considerable room for improvement, and that it is easier to discuss such improvements, in a climate of détente than in one of hostility.

I should like at this point to refer to paragraph 9 of the motion for a resolution, to which the rapporteur has already alluded. I believe it important that Parliament should make it clear that the principle of non-interference does not apply to the way in which the signatories of the Final Act are dealing with human rights, because — and I should like to stress this point as it is perhaps not made clear enough in the text — this is not just Parliament's opinion but is laid down in the Final Act itself. I have no time to quote the precise references, but they may be found in the text. They clearly indicate that the safeguarding of human rights is the joint concern of all signatories.

I believe that we should all — I repeat, all — stop being over-sensitive to questions about the implementation of human rights. Here and there, in nearly all our countries, there are of course gaps in the field of human rights, but there is a qualitative difference between our approach and that of the countries to which we mainly refer in the House. This is an obvious point, and one which should not be overlooked. However, I believe that all sides should be prepared to discuss this matter and listen to each other's ideas. I should also like to comment on paragraph 11 together with paragraph 3 of the motion. Paragraph 11 says that Parliament requests the institutions of the European Community and the foreign ministers of its Member States to use their best endeavours to ensure that *all* the principles and *all* the provisions of the Final Act of Helsinki are scrupulously observed by all the signatory states.

I was very gratified that the joint declaration by the Secretary of the Soviet Communist Party, Leonid Brezhnev, and the German Chancellor Helmut Schmidt made during Brezhnev's state visit to Bonn contained a passage which exactly echoes Parliament's statement. Both signatories state that they will endeavour to ensure that all the principles and provisions of the Final Act of the Helsinki CSCE should be implemented effectively in relations between all the participating countries and throughout Europe in the interests of international cooperation and for the benefit of mankind.

Sieglerschmidt

Let us hope, Mr President, that these welcome words are followed by the appropriate action. While on the subject of this state visit, I should like to raise a point already brought up by the rapporteur — again in connection with the securing of peace — namely that this declaration contains a further important passage concerning Mutual and Balanced Force Reductions. The declaration states that both parties consider it important that no-one should strive for military supremacy. They maintain that approximately equal military strength should be sufficient for defence purposes. This point is worth noting, and we can only hope that it will be mentioned in the talks on MBFR in Vienna.

Finally, I would refer to paragraph 13 of the motion, in which we congratulate the Member States on their 'broad identity of view' in Belgrade; on behalf of my Group — and I think this view will be widely shared in the House — I hope that after the Madrid Conference has been held, we shall table a further motion from which the word 'broad' is deleted, so that we can speak of complete agreement among all Member States in this context.

As I said at the outset, we all know how difficult it is to bring the process started at Helsinki to a successful conclusion. I think it is most important that in the next few years, as we prepare for Madrid, and even at Madrid itself, we should be making bilateral and multi-lateral attempts to establish relations between the countries of the European Community and those of Comecon — such relations are in fact currently being negotiated — so that all those involved will be unable to revert to threats, blackmail or hostility.

Mr President, if we achieve this, human rights in Europe — which we all cherish so dearly — could be strengthened still further.

(Applause)

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

Mr Jahn. — (D) Mr President, ladies and gentlemen, our thanks are due to Mr Radoux for spending two years monitoring the outcome of the Helsinki Conference and for his report.

The Helsinki Conference, which forms the basis of our discussions, resulted in a compromise between East and West. However, Moscow was unable to achieve one of its main aims, which was to consolidate and legalize the eastern European territorial situation which originated in 1945 by getting the West to recognize the *status quo*. As you know, the West flatly refused to do this. In particular, the CSCE did not, as Moscow had hoped, come to be regarded as a

peace conference on Germany. The West merely accepted temporarily the *de facto* territorial situation as the starting point for the future development of the East-West situation; by reaffirming the internationally accepted principles of non-aggression, the inviolability of frontiers and territorial integrity it merely wished to open the way for this conference and for certain follow-up measures which would exclude any violent change in the territorial *status quo*.

The following principles were adopted at the conference: Principle I — internal and external self-determination of the sovereign states, including the sovereign right to change their frontiers peacefully in accordance with international law; Principle VIII — the national right to self-determination of peoples, and Principle VII — respect for human rights.

Mr Sieglerschmidt has just said that this point was very clearly worded, and I should like to sum up the results of the Helsinki Conference once again. The first and second paragraphs of this declaration on human rights read as follows:

The participating States will respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language or religion.

They will promote and encourage the effective exercise of civil, political, economic, social, cultural and other rights and freedoms all of which derive from the inherent dignity of the human person and are essential for his free and full development.

We in this House should never forget that acceptance of these principles, which were laid down in Basket 3, was the precondition for the West's approval of the overall final declaration. That aims of Basket 3 have so far for the most part — I repeat for the most part — been ignored by the Soviet Union. In form and content they are still far less advanced than the internally binding — though nonetheless largely violated — United Nations Declaration on Human Rights of 1948 and the two international human rights agreements of 1966.

In particular, penetrating the iron curtain which divides Germany has become more rather than less difficult since Helsinki. The number of barbaric, automatically activated guns in operation has risen to over 25 000. They have made Germany's internal frontier the most treacherous in the world. Any marked increase in the number of Germans emigrating from eastern European countries, for example from the areas controlled by Poland, is not due directly to the Final Act of the CSCE, but to additional German aid of DM 2.3 thousand million. Furthermore, since Helsinki the number of Jews per year who emigrate from the Soviet Union has fallen by half. The peoples of central and eastern Europe are now subjected to more rigorous ideological discipline and control.

Jahn

Moscow is pressing for the full political and economic integration of the eastern bloc. Throughout the Belgrade meeting it tried to force through a partisan reinterpretation and reorientation of the Final Act in order to achieve what it had failed to achieve at Helsinki.

It furthermore tried to divert attention from the immediate implementation of the declaration of intent contained in Basket 3 of the Final Act, and also tried to play down its effects — unexpected in both East and West — on the momentum of the emancipation process in the East and its significance for multi-lateral East-West relations. From the outset, the 35 countries of Europe and North America had made their participation at the Conference subject to the principle of unanimity. The Soviet Union, however, vetoed the mentioning of human rights in the final communiqué at Belgrade. This turned out to be an ill-advised move, as the struggle over the veto was covered for weeks by newspapers throughout the world, and the Soviet Union was forced to admit that it is governed against the will of its own people and that its aggression is contrary to the aspirations of present-day society, which is striving everywhere for freedom and self-determination. And what other Parliament but this discusses infringements of human rights and the right to self-determination almost every time it meets?

It is becoming clear that the Soviet Union has paid, and will continue to pay, a high price for removing human rights from the wording — I repeat, from the wording — not only of the final communiqué at Belgrade but also from the vocabulary of détente. It has admitted before the world that the internal order not only of the Soviet Union but also of the other Communist countries of eastern Europe is not secure enough for it to permit the free exchange of political and social ideas.

As a journalist remarked most appositely, the Soviet Union had revealed that it is as much afraid of human rights as the West is of the numerical supremacy of Soviet tanks in Europe.

Mr President, ladies and gentlemen, over a period of five months in Belgrade, 28 of the participating countries were largely agreed on all points, and were opposed by the seven votes of the Eastern bloc. They agreed that all three baskets should be discussed and adopted jointly. They admitted in all fairness that some progress had been made on certain economic and technological questions and in the field of arms controls — for instance notification of military manoeuvres — but they said that they wanted all the measures, including Basket 3, to be included in the final declaration.

The Soviet Union refused to do this, and I would emphasize that the Community voted unanimously throughout the conference and that the other 19 of

the 28 western states backed us up to the end. We should maintain such solidarity in the future.

The outcome of the meeting may be summarized as follows: the Final Act of Helsinki is interpreted in various ways, the Soviet Union was not prepared to implement the major part of this Final Act, and hardly any progress has been made in détente and disarmament. The fact that nothing has been achieved in this area is disappointing.

From 8 to 10 March I was able to speak to 15 delegations in Belgrade and found that the immense disappointment was shared not only by the Nine but also by the neutral countries. They said that they had nothing more to show for their many months of wide-ranging discussions than that they would be meeting again in Madrid — this is virtually all that the final communiqué says. It is a disappointing result and could be summed up in one sentence: We shall meet again in Madrid in 1980 and carry on the talks on the same basis, that is we shall continue to squabble.

Millions in the West, who have been following the meeting, share our regret that the final communiqué contained nothing to fulfil the hopes which they had all held so dear since Helsinki. However — and here I should like to draw my remarks to a close — people throughout Europe now and in the future are entitled to quote the Final Act, and we must preserve and make part of our everyday politics that section of the concluding document which states that the fundamental principles of the Helsinki Final Act are still valid. Freedom of thought, conscience and religion must remain for us all the cornerstone of modern and humane international relations.

I should like to state on behalf of my Group, Mr Radoux, that we approve your report.

(Applause)

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

Mr Bettiza. — *(I)* Mr President, ladies and gentlemen, Members of the Commission and the Council, I feel that in a debate like this, on the subject of Helsinki and Belgrade, what we have to get into immediate perspective is relative weight and importance to be attached to détente and the three baskets which featured at the two conferences. The concept of détente has been modified several times since it was first launched by Krushchev. Here in this House our prime concern is not merely the theory of détente but what progress it has made in Europe during the last 15 years.

In rational terms, of course, our assessment of détente must be positive in Western Europe. In political terms, however, we can only be severely critical, if not downright pessimistic. We have often seen that

Bettiza

détente was more useful to the Soviet Union than to the West. We have also seen — and I am not making any startling revelations — the Soviet Union use détente as a means of undermining stability in the West, in the Mediterranean region, and now in Africa. We have often seen détente misused as an instrument of propaganda and indoctrination by the Soviet Union and its fellow-travellers in the West, rather than being used in a positive way to improve political, economic and human relations — and I stress the word 'human' — in the world and in Europe especially.

I felt I had to say this before I went on to deal with what I consider to be the essence of this report by the Political Affairs Committee. It was Mr Radoux of the Socialist Group who drew up this report, or who at least put most work into it. He has had a lot of experience in this field and has shown a great deal of expertise and knowledge in drawing up earlier reports. However, although our Group has decided to give its general approval to the report by the Political Affairs Committee, we feel obliged to make one or two criticisms. For example, our Group cannot agree entirely with the over-optimistic tone of the report because we feel that the Belgrade Conference, when all is said and done, marks a retreat from what was achieved in Helsinki. There, in fact, we achieved the kind of progress which was essential to protect human and civil rights, by which I mean the basket which is particularly important to us in the Liberal and Democratic Group. I should like to remind you of what Austria's Socialist Chancellor, Mr Kreisky, said: that we have to thank the Helsinki Conference if human rights have now become a political issue. I could add that we now have to blame the failure of the Belgrade Conference if this issue has not been taken up in practical or concrete terms.

If there was one outstanding achievement of Helsinki, it was that we provided a basic text for all those who were struggling for human rights and freedom in Eastern Europe. In my opinion, we in the West should not betray the dissident groups of Eastern Europe by watering down, because it suits us, the essence of the basic text which was the result of the Helsinki Conference. It is no accident that, as soon as the Soviet authorities realized that liberalization was having a boomerang effect and unleashing dangerous internal confrontation, they were quick to back-pedal and prevent any hint of genuine and useful discussion in Belgrade or elsewhere. This is why the Liberal and Democratic Group has tabled an amendment suppressing, in paragraph 1 of the motion for a resolution, the description of the talks in Belgrade as 'wide-ranging and frank'. We want to get rid of these two adjectives because we feel they are wrong. The talks and the exchange of views were neither open nor frank, but obstructive and suppressive.

When I went to Belgrade with the President of the European Parliament, Mr Colombo — it was an offi-

cial visit to Yugoslavia in return for a Yugoslav delegation's visit to Parliament a year ago — I remember that we had a meeting lasting an hour and a half with the Yugoslav Foreign Minister, Mr Minic. His main theme was how upset he was that the Belgrade Conference was coming to grief in his capital. He was quite blunt in saying that it was a disaster, one of the worst blows against the process of détente in Europe. This was the opinion of the Foreign Minister of the host country for the Conference, a country which is not only passively but actively neutral in its determined efforts to improve relations between nations and between the various kinds of ruling system in the world.

As a result, we also feel it would be a good thing to take out the next paragraph of the motion for a resolution, where Parliament is asked to recognize that the exchange of views constitutes 'a contribution towards the pursuit of the goals set by the CSCE'. I agree that there was an exchange of views, but it is quite wrong and quite misleading to say that it constituted a contribution towards the pursuit of the goals set in Helsinki. Our Group therefore proposes that paragraph 2, which contains this statement, be deleted in its entirety from the motion for a resolution.

The goals set at the Helsinki Conference were carried over to Belgrade but failed to find there the logical development which could reasonably have been expected, because all discussion was deliberately obstructed by the Soviet Union. I agree entirely with Mr Jahn who, speaking for the Christian-Democratic Group, listed the points on which the Russians tried, if not to sabotage, at least to block any progress on Basket 3 at the Belgrade Conference. In particular, there was the struggle over the right of veto which was, in many respects, a telling blow against human rights.

Consequently, if we were to follow too closely the general direction of the report, this would be tantamount to be approving — rather than criticizing or stopping in some way — the repression of civil and human rights in the eastern bloc. The Bahro, Rostropovich and Sakharov affairs, Charter 77 and the existence of the gulag camps, which have even been denounced by the secretary of the French Communist Party, Mr Marchais, all go to show that violation of human rights has not decreased but got worse and worse between Helsinki and Belgrade.

Bahro, Rostropovich and Sakharov are not isolated cases. There are thousands of less well-known cases and the ones I have mentioned are only the tip of the iceberg. There are other violations, and there can be no doubt that any failure on our part to respond to what happened between the Helsinki and Belgrade Conferences would be a betrayal of the basic principles of human rights which were forged in this area of the world, here in Western Europe.

Bettiza

It would be a grave mistake, however, if anyone were to think that we Liberals are against conferences of this kind which are designed to promote détente. If nothing else, they give us an opportunity of keeping talks going while waiting for better days to come.

In the Liberal and Democratic Group we should like to see a careful examination of failures and shortcomings in order to be able to remedy them at subsequent meetings. Parliament's debate today should not be a *cabier de doléances* — a list of grievances — a temporary setback, which is what Belgrade was, but an attempt to stimulate an exchange of views which is genuinely and not merely apparently wide-ranging and frank. If we in the Liberal and Democratic Group are currently criticizing much of the outcome of the Belgrade Conference, it is because we want to see better results in Madrid. We want the free circulation of people and ideas between East and West to become reality, we want to permit separated families to come together again, and we want to let Jews emigrate if they so wish. In short, we want to see the dismantling across our continent of what Churchill, back in 1947, so poignantly dubbed 'the Iron Curtain'. Now, what is the best way of achieving this? Which is the most effective of the means at the Community's disposal?

We must not forget that if some promising results were achieved in Helsinki, much of the praise for this must be attributed to the solidarity displayed by the European Community. For the first time the Community was represented as such by the President-in-Office of the Council who — if I am not mistaken — was Mr Gaston Thorn at that time. Helsinki was one of the earliest and most significant indications that the Nine Member States of the European Community can, if they want, carry much more weight than could be expected from the simple addition of their influence as individual countries.

What we have to ask ourselves, however, is whether the Belgrade Conference reaffirmed what was created and set in motion by the Nine in Helsinki. It is our view, as I said before, that the rate of progress slowed down dramatically in Belgrade. Consequently, although our Group goes along with paragraph 13 of the motion for a resolution in congratulating the Nine Member States on their broad identity of view in Belgrade, we cannot help but note that in Belgrade, unlike Helsinki, the results were somehow much less tangible, less evident. From the outside the Nine presented a fairly compact and united front in Belgrade, but we cannot disregard the fact that there were one or two differences between the Nine which are no secret to any of us. This was a disturbing and weakening factor.

One thing has to be made clear at this point, however. Our view does not run counter to the motion for a resolution tabled by Mr Radoux, since he too regrets the obstacles to the implementation of the Final Act. He, too, considers that discussions on human and civil

rights do not constitute interference in the internal affairs of the participating States. He, too, is concerned about the preoccupations expressed by the Community institutions concerning freedom of thought, of conscience and of religion. As Mr Radoux himself said, these preoccupations and criticisms were not given the hearing they deserved in Belgrade.

In this light the amendments we are tabling are aimed at eliminating any ambiguity and are in keeping with the cautious wording of paragraphs 6, 7, 9 and 10 of the motion for a resolution. Finally, the report seems to forget to some extent that the Belgrade Conference was about economic cooperation as well as security. We are not complaining about that; in fact, we are ready to consider this omission in a positive light. Anyway, in our view, economic cooperation must not be seen as a kind of excuse for the Soviet Union to confuse the issue and play off détente against imports and exports, and human and civil rights against the trade balance.

In order to avoid confusing economics and human rights, we should like to propose an additional paragraph which we trust will meet with Mr Radoux's approval. We propose that economic talks with Eastern Europe be between the Community and the member countries of Comecon — not with Comecon as an organization — rather than in the multilateral context of the Conference on Security and Cooperation. We feel that direct negotiations between the EEC and the Comecon countries will be more effective and will, moreover, be in line with the trade agreement between the EEC and the Comecon countries which is already being prepared.

Lastly, the Liberal and Democratic Group is strongly in favour of the term 'Comecon countries' being used in the new paragraph, since if negotiations between the eastern and western trading blocs failed to take into account the identity and national peculiarities of the eastern bloc countries, this would have a demoralizing effect on their legitimate aspirations which would certainly not be appreciated.

The Madrid Conference will open on 11 November 1980, by which time the European Parliament will have been directly elected and European union will have taken a decisive step forward, thanks to this event which can be deemed of historic significance.

One of the tasks of European union, is to strive for peace, freedom, a sense of personal responsibility, and social justice — in other words, for the implementation of human and civil rights, not only in Europe, but throughout the world. Let us work towards that goal from this moment on, and let us do our best to ensure that Madrid follows the positive example of Helsinki and not the stagnant, perhaps even retrograde, example of Belgrade. Détente has meaning only if it is not synonymous with resignation, or with demoralization or — worse still — with capitulation.

Bettiza

There is one suggestion that, in closing, I should like to make to the Political Affairs Committee, of which I am a member. I should like it to ensure, as far as it can, that the next conference in Madrid is conducted at a higher political level. The Belgrade Conference was a disappointment, a partial failure, and one of the reasons for this was that those involved had very little political authority. It is my opinion that the Madrid Conference should be more successful than the one in Belgrade, provided that it were attended and conducted by delegates of greater political weight.

(Applause)

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

Mr Brugha. — Mr President, I would first like to compliment Mr Radoux on his report, and I would like also to thank the many officials, representatives of governments and parliaments, who took part in the very long-drawn-out Belgrade Conference. In my opinion, the report is reasonably realistic, and as such, I think, merits our support.

The Helsinki Conference was a very good and practical attempt to find a means of reducing political tension between countries, and also to set out commitments for the future in the form of a code of conduct for those countries. This is what was hoped for after Helsinki, and I expect a number of people thought it had been achieved, and that now, perhaps, the world could look forward to a more stable peaceful situation. However, before the Belgrade Conference itself took place, evidence to the contrary had emerged in a number of areas; one might mention, Eastern Germany, where the belief in the completeness and acceptance of the Final Act was shown to be, to say the least, over-optimistic. The Belgrade Conference thus confirmed that the Final Act, as a commitment on the part of all concerned, was somewhat premature so far as some of the States taking part in that conference were concerned. So, there is an overall feeling of disappointment, but I think it is disappointment arising out of things as they are, rather than as we would like to see them. However, the strongest positive characteristic of human beings is hope, and even if the conclusion arising from the Belgrade Conference is that it was a setback rather than a step forward, the fact is that Helsinki did take place and that the Final Act is on record; it is still a notable advance with potential for greater common sense and stability in relations between different countries, and it remains as a reminder to us that we have to keep trying to make that Final Act a fact of life.

On the positive side, Belgrade did provide for discussions and for review and finally ended in agreement to meet again. But it also revealed shortcomings, particularly in the area of respect for human rights. It also brought out the quite significant fact, that some

governments are sensitive to criticism of themselves in their treatment of their own citizens. This apparently is seen as interference in their political affairs, which, as the rapporteur has said, is not the case. I think that is a measure of how far short of the real meaning of the Final Act we still are. And I think it would be an illusion to think that such an attitude in many countries is likely to be changed without considerable persuasion and the passage of time.

As our Community develops, it is coming more and more to represent stability and a non-aggressive approach to world affairs and political tensions. Our very persistence in working through our institutions for the peaceful settlement of human problems should come eventually to be understood and believed by other governments and peoples. I believe we can hope that our persistence will see the Final Act applied, step by step, in this spirit over the years ahead. So, let us look forward to Madrid in 1980 with optimism.

(Applause)

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

Lord Bethell. — Mr President, I would like to begin where the previous speaker ended, on a note of optimism, and refer to the over-optimism with which we began the debate on the Helsinki agreement and the expectations which we then harboured, and perhaps throw out a few thoughts on how this over-optimism has been revealed, where we now should proceed and how we can evaluate what has happened in the few years since the agreement was signed.

We all, I think, approved of the idea of an agreement on security and cooperation in Europe when our delegates met in Helsinki some years ago and signed the agreement in 1975. We are realistic, we live in a continent which is divided between the two great fundamental ideologies of our time, ideologies which are in severe conflict and which threaten one another physically. It is obviously impossible for our continent, or indeed other continents, to survive unless we have regular meetings and sort out such crucial problems of sheer existence as may be solved by discussions such as we had in Helsinki and in Belgrade. This must be, and however much countries and peoples entertaining different ideas may disapprove of each other, they realize that they have to approach each other and work out something in order to survive. So the signing of the Helsinki agreement was a source of optimism.

We did, of course, then sign other undertakings, and we persuaded the East European countries to put their signatures to a most surprising list of promises: the governments of the Soviet Union and its allies undertook to respect human rights and fundamental freedoms, including freedom of thought, of conscience, of religion or conviction. Now I do not know whether we indulged in over-optimism when we found these

Lord Bethell

things in our agreement: personally, I was not over-optimistic when I read them in the Helsinki agreement, I was rather cynical. It never occurred to me that the Soviet Union ever had guaranteed, or would in the foreseeable future guarantee, the freedoms mentioned in the document which had been signed by their leader, Mr Leonid Brezhnev. Nevertheless, I was glad that this paragraph had been inserted, because it meant that this became a political issue and that matters which before could be considered internal ceased to be internal. I agree with what previous speakers have said about this, that human rights are now not necessarily an internal affair of the country concerned; they constitute a matter of international agreement, and if a country, whether it be the Soviet Union or the United Kingdom for that matter, violates the provisions of this agreement, or of the United Nations Declaration of Human Rights, which is specifically referred to in the Final Act, this is not an internal matter, it is a violation of an international agreement, and on this basis it must be taken up and discussed. It is no defence to plead that this is an internal matter which should not be raised in an international forum, because we shall continue to do this. We are certainly prepared to face, in our Community and in our Member States, the criticism of others who suggest that we are imperfect ourselves, and if anyone has any criticisms to raise in connection with the various review conferences at Belgrade, I feel that we in our Member States should not be afraid to face such criticism.

I would like to say how much I agree with previous speakers in congratulating the nine foreign ministers on the unanimity which they have achieved in various discussions in Belgrade and after. It is, I think, a great source of pride to us that political cooperation in this particular sphere did actually mean something, and I felt a great thrill, I must confess, when I saw the list of proposed amendments to the Final Act which were put down by the Nine — and not simply the nine countries individually, but explicitly by the Nine acting in political cooperation. The fact that these were unacceptable to a small number of participating States is regrettable, of course, that it is very encouraging that the Nine were able to work together in this way.

I have one particular point here to raise with the President-in-Office of the Council. Speaking on behalf of the Nine acting in political cooperation, his predecessor, as I am sure he will know, put forward a proposed amendment which would guarantee the right of organizations or individuals to monitor the provisions of the Final Act. This proposed guarantee was not accepted by a small number of signatory States, but I take it that the Nine have not changed their view that this is desirable, that organizations and individuals should have the right to check the implementation of the Final Act, to gather material about

violations and to report such violations in order to achieve a better observance of this agreement. The Nine acting in political cooperation have made certain representations about a group of Soviet citizens who did precisely this and got themselves arrested for their pains. I hope that the President-in-Office will be able to assure us that this concern for this principle of individual checking and his concern for these particular individuals, Anatoly Shcharansky, Yury Orlov, Alexander Ginsberg and others from different Soviet republics — the Ukrainian, Georgian, Lithuanian and Armenian — will continue even after the Belgrade conference. In this connection, I would like to say on my own behalf that I would be very careful indeed before advising the German Government to exchange the convicted spy Gunter Guillaume for Anatoly Shcharansky, a proposed exchange which has been reported in the press as a rumour several times in recent days. The monitors of the Helsinki agreement have committed no crime under Soviet law, their imprisonment is a violation of an international agreement, and it would, I think, be a travesty of justice if one of them were to be exchanged for an individual imprisoned in the German Federal Republic who has committed a completely different type of crime.

I was very interested in the speech made by the Liberal delegate, Mr Bettiza. I am sorry he is not in his place, but I valued very much his well-known expertise on this subject, and I was impressed by the proposed amendments which he made to this, otherwise very excellent, motion for a resolution. I shall be consulting with my honourable friends as to whether we can support his amendments: they seem to me to have quite a lot of merit.

Mr Bettiza is right, I think, to say that Belgrade was a step backwards. Not, I would say, an unexpected step backwards: I, personally, did not imagine that the Soviet Union would agree to the provisions on human rights, which we, in Western Europe and the United States, hold most dear. It never occurred to me that the Soviet Union would do this thing, which, on the face of it, is so normal but, if one looks at the reality of the situation, is, of course, so abnormal. But the very existence of the agreement has brought the issue to the fore and this is why, although there was a step backwards in Belgrade, there has been, I think, a tremendous step forwards in the signing of the Helsinki Agreement, in the fact that it will continue to be discussed at various intervals — three-year intervals, perhaps — and that violations of it will continue to be reported and raised in the appropriate forum. This is a great cause for hope for Europe and for the other countries concerned.

Europe has, I think, a lot to offer in this sphere. It is in our Community and in other West European countries and in North America that one finds the greatest degree of personal freedom in the world — by and

Lord Bethell

large — and this is a contribution, I feel, that we, a large number of the signatory States of this Agreement, can make to the progress of world civilization. We have, of course, great disadvantages in Europe in that we are very often disliked for various historical reasons and envied for the fact that we are more highly industrialized, more highly developed, richer than other countries. We can be the cause of envy, we can be the cause of resentment, for the economic power that we hold, the military power that some of us hold; but one thing which we must hope to be admired for is our insistence on human rights, as laid down in the Agreement which we were fortunately able to negotiate in Helsinki in 1975. It would be very sad if we were to take this step backwards in Belgrade as a sign that we should not continue to press for this ideal aim.

(Applause)

President. — I call Mr Bertrand.

Mr Bertrand. — *(NL)* Mr President, my purpose in asking to speak, as Chairman of the Political Affairs Committee, was simply to draw attention to a number of slight differences in emphasis which have become apparent in our assessment of the final document of the Belgrade meeting, both in the Political Affairs Committee and in today's debate.

The Committee kept a close watch on developments during the six months of the Belgrade meeting. Some members of our Committee themselves spent some time on the spot in order to follow the discussions and make certain contacts. They all expressed great admiration for the unity shown by the European Economic Community via the representatives of the Commission and of the President-in-Office of the Council of Foreign Ministers, which created a great impression, with the result that our representatives were even able to gain a large measure of support from the non-aligned countries for the proposals and amendments that they put forward.

We have found in Mr Radoux a rapporteur who has managed, despite the differences in interpretation and emphasis that became apparent in discussing the final document in the Political Affairs Committee, to draw up a motion for a resolution which the Committee adopted unanimously and which indeed reveals great diplomatic skill and a thorough understanding of the problems involved in reconciling the various divergent viewpoints in a way acceptable to all the groups. I feel bound to say how grateful I am to him for this, and also to the representative of the Commission and the President-in-Office of the Council of Foreign Ministers for the way in which they have regularly kept us informed of developments in the discussions in Belgrade.

As Lord Bethell and others have already emphasized, the constructive attitude taken by the Nine and the

unity they have shown in always speaking with one voice are of great significance for the future.

No one would deny, of course, that the content of the motion under discussion today, which will undoubtedly be approved by a large majority in this Parliament, allows each group the freedom to emphasize particular features in accordance with their political views. And that is perhaps the great political significance of the motion for a resolution that is to be adopted today or tomorrow: it leaves room for emphasizing particular points in greater detail depending on the circumstances, with regard to either the positive or the less positive aspects of this whole question, whether from an optimistic or pessimistic point of view. However, I should like to point out, by way of an initial general impression, that it is not possible to spend six months discussing the contents of a particular document without engaging in the course of these six months in a fundamental exchange of view on how the provisions of the Final Act are being implemented.

It was to be expected that the implementation of the tasks laid down by the Helsinki Conference would give rise to a great deal of discussion. What, in fact, was Belgrade meant to achieve? An investigation of the way in which the Final Act of Helsinki had been put into effect, and a deepening of mutual relations between the 35 signatory states. That was the first objective hoped for in Belgrade. The second was concerned with improving security. Thirdly, it was hoped to continue the process of cooperation and détente. These three objectives framed the main substance of the Belgrade meeting.

The question now is whether these aims have been achieved by the discussions in Belgrade. There is no doubt about the political importance of this conference, for if 35 countries keep talking for six months it shows that there was a political determination not to allow this Belgrade meeting to come to an end without agreeing on the text of a final document. This political determination is of great importance for the future. For if we can maintain this determination to go on discussing current problems, even when there are very great differences of opinion, then there is indeed reason to hope that we are heading towards a reduction of tension in our mutual relations. If, on the other hand, the negotiations had been broken off, then we would, of course, have come to a complete dead end. That, then, is the first point: the political significance of Belgrade — the fact that it took six months of discussions to arrive at a joint document on which there are differing opinions, as is normal.

There were three major problems on the agenda in Belgrade. Firstly, there was the West's great concession to the East of recognizing a status quo. Then there was the question of developing and extending economic and trade relations and thus strengthening

Bertrand

contacts between East and West. Finally, the third problem was the West's demand to the East, the so-called Basket Three regarding respect for human rights and fundamental freedoms, including the freedom of thought, the freedom of conscience and religious observance and a number of other rights and freedoms which are set out in paragraph 7 of the Radoux report. Seen purely in terms of the present situation, this Basket Three has given rise to unexpected and unforeseen reactions in the Soviet Union and the countries of Eastern Europe. I am quite convinced that, if the leaders of Eastern Europe had been able to foresee that signing this Basket Three would arouse such a wave of dissidence in the Soviet Union and give rise to this movement for the respect of human rights in the countries of Eastern Europe, they would never have signed the Final Act of Helsinki.

But they did sign and are now faced with the consequences of an internal development which has been set in motion under their regimes and will now probably be impossible to hold back.

I can thus appreciate — I would not say approve, but I can appreciate — the reluctance shown by the Soviet Union in Belgrade with regard to this Basket Three and their refusal to refer to it in the final document of Belgrade. They probably felt that the consequences of having signed the Final Act of Helsinki were already serious enough as it was, and that it was better not to give the question a further official airing in the final document of Belgrade. That would have given even more strength to the movement that had been started in their countries and could have endangered the whole regime. They could scarcely give in on that point. I am trying to put myself psychologically in my opponents' position in order to find the basis of their reasoning. The fact remains, however, that the West once again made enormous concessions in order to make it possible to adopt a final document in Belgrade on 8 March.

For there is no disguising the fact that, without the acquiescence of the non-aligned countries, and without the concessions by the nine Community countries to make no mention in the final document of the problem of human rights, there would have been no final document. The continuation of the dialogue is thus due in the first instance to the understanding and political insight of the Western representatives and their concern to continue the process of detente. I accept that, but I am bound to say that I cannot give much credence to the words of the final document when it says that the governments are resolved to implement fully, unilaterally, bilaterally and multilaterally, all the provisions of the Final Act, since the facts have shown that the opposite is true. There is a distinct lack of 'unilateral' determination on the part of certain signatories of the Belgrade final document and the Helsinki Final Act, particularly with regard to Basket Three. This is why we attach great importance to an overall assessment which I would sum up as follows.

The Belgrade meeting was in my view useful on three counts: it was useful because there were six months of discussions before agreement was reached, and that is a good thing; it was useful in that it decided that the discussions would be continued in Madrid on 9 September 1980, and it was useful because the Belgrade meeting set up three groups of experts to discuss three particular problems. The first is the examination of an acceptable method for the peaceful settlement of disputes to complement existing methods. This first group is to meet in Montreux on 31 October this year. A second group, which is to meet in Bonn, is intended as a scientific forum. Finally, at the insistence of the smallest participant at the meeting, namely Malta, a third group has been set up to discuss the problem of the Mediterranean area, including the question of security in that area.

Besides these positive aspects there are also negative aspects of considerable importance. Firstly — as everyone has pointed out — there is the fact that the contents of Basket Three and their further implementation are not mentioned in the final document. That does not, it is true, mean that the Helsinki Final Act is not to be upheld in all respects, but it does give cause for great concern. It is with this in mind that I would call on the President-in-Office of the Council of Foreign Ministers to see that from now on everything is carefully prepared in the working party that has been set up under the aegis of the Commission, in the Council and within the Conference of Foreign Ministers. It is a question of seeing that in Madrid, besides the three subjects dealt with by the groups of experts, the problem of Basket Three is also put on the agenda once again. For what I am very much afraid of is that the Madrid meeting will no longer deal with the whole of the Helsinki Final Act, but only the proposals and findings of the three groups of experts. And, as Lord Bethell said, that would naturally represent a further step backwards, for the content of the Madrid meeting would then be even more restricted. I would therefore ask the Commission and the President-in-Office of the Conference of Foreign Ministers and of the Council to tell us today how they view the preparations for this Madrid meeting. It is of the greatest importance to know whether, in preparing for Madrid, our Community institutions are not just confining themselves to following and examining the proposals of the groups of experts, but are starting from the principle that the whole of the Helsinki Final Act must be discussed again in Madrid. That seems to us to be an essential requirement if we are to achieve the three aims I mentioned just now, and more particularly if we are to improve security and encourage detente.

So much, Mr President, for the concern I wanted to express as chairman of the Political Affairs Committee with regard to Mr Radoux's motion for a resolution. In conclusion, I should like to add my voice to the rapporteur's request for Parliament to adopt this motion unanimously.

IN THE CHAIR : MR HOLST

Vice-President

President. — I call Mr Dankert.

Mr Dankert. — (NL) After what Mr Sieglerschmidt has said on behalf of our Group, I have no great need to make a lengthy speech on the results of the Belgrade Conference and I should like to confine myself here to a few subsidiary remarks.

To begin with, a comment on something Mr Bertrand said, namely that the motion revealed a great deal of diplomatic skill and that it could be used paragraph by paragraph. It seems to me — and this problem arises continually with the Helsinki Final Act — that the value of the motion would be seriously impaired if we were to make use of particular parts of it at will.

As regards diplomatic skill, I also — this has already been said by other speakers as well — have some difficulty with the wording of paragraph 9. I thought it was apparent in Belgrade — from the fact that the Russian representatives attended the conference and remained in their seats when Ambassador Goldberg was speaking — that the Soviet Union accepted the interpretation that Articles 6 and 7 were compatible, which meant in particular the justification for a discussion of human rights, and that the wording of the European Parliament's motion for a resolution is therefore somewhat imprudent in expressly stating its opinion that this is not a question of interference. I think there is no doubt at all as to the text which provides for bringing human rights into the discussions and that the wording of paragraph 9 of the motion is accordingly not very appropriate.

But there are a number of other remarks I should like to make on the question of Belgrade. In my view — and this is on rather the same lines as what Mr Bertrand said just now — the best result of Belgrade was the fact that the meeting took place and that there were lengthy and extremely concrete discussions there on what was agreed in Helsinki. The fact that this process was set in motion and the prospects for continuing it in Madrid are, I think, the essence of the follow-up to Helsinki, and that is something we shall have to remain faithful to in its entirety in the coming years.

I am not, therefore, among those who would wish to display profound disappointment or other similar feelings in this House today. I regard it as very difficult to dismiss Belgrade as a failure; Belgrade is only a failure if you expected to find reasonably firm grounds for supposing that the Helsinki documents could have been expanded still further. That, however, seems to me to be an assumption which, on a simple analysis of the situation with regard to human rights in the countries of Eastern Europe, ought to have been dismissed right from the start as highly improbable. I think that subsequent conferences, i.e. in particular

the one in Madrid, will also have to have the objective of discussing implementation of the Helsinki Final Act. The fact that the discussion in Belgrade took place is really the essential point with regard to implementing the Final Act, and in my view the useful function that Belgrade quite clearly fulfilled was to take note of the shortcomings of this implementation in Eastern Europe, and perhaps in Western Europe too.

If there is to be any question of failure, then there is one sector where this might perhaps be somewhat justified and this, I think, is the field of confidence-building measures. In my view the confidence-building measures agreed in the Final Act contain a number of weak points which are more likely to undermine confidence than to increase it. One example is the very short and non-obligatory notification period for certain troop movements laid down in the Helsinki Final Act. The fact is that if Hungary gives Yugoslavia one day's notice that it is going to move 12 000 troops that is liable to give rise to a slight political upset of the sort which really ought to have been prevented in Belgrade. In this context there is some disappointment, particularly with regard to disarmament. Nor do I see, as Mr Radoux in effect suggested, the special session of the UN or the MBFR talks putting forwards the solutions that could not be found in Helsinki. I find this regrettable, but in the present state of détente it could scarcely be otherwise. And it is not just the fault of the Soviet Union but also, I think, partly the West's fault that progress in this field in particular is so difficult. In this context I should like to recall a speech made recently by the United States' Deputy Permanent Representative at the UN to a conference of the Socialist International in Helsinki. The American Ambassador accused Western Europe in particular of a lack of initiative and imagination with regard to putting forward ideas and reaching agreements with the Soviet Union in the fields of arms limitation and reduction. Particularly with regard to preparations for Madrid, I think that the whole question of cooperation between the United States and Western Europe could become one of the most delicate points in the period leading up to that conference. At present one thing is clear: there are recriminations on both sides, although everyone is denying that there is anything wrong with relations between the United States and Western Europe. In general the verdict on Belgrade in the United States was that the Western Europeans had not stood up sufficiently for human rights. On the other hand, people in Western Europe can regularly be heard saying that the Americans had Mr Goldberg recite too many particular cases of human rights for domestic consumption. In the present context — in view of current developments in relations between America and Western Europe — that can, I think, only be an incentive, with a view to preparations for Madrid, for us to be very careful to maintain precisely this contact

Dankert

with the United States and to endeavour to agree in advance on as many joint positions as possible, since in my view both in the field of disarmament and in that of human rights this relationship with the United States is bound to be one of the essential conditions for successfully continuing the process of détente.

Finally, one further remark on European political cooperation. It has been said — and, I think, for the most part quite rightly — that with regard to Belgrade this European political cooperation functioned reasonably well. I would point out, however, that in the final phase in particular there were some regrettable developments which seriously blotted the Nine's copy-book. I should like to say to the Danish President-in-Office that I particularly appreciated the Danish attempts to redeem the situation and I should like to congratulate him on that.

President. — I call Mr Jung.

Mr Jung. — (*D*) Mr President, ladies and gentlemen, as some speakers have already said, the outcome of the Belgrade meeting — the first since Helsinki — was not very encouraging. The fact that the Final Act has led to considerable internal problems in the Eastern European countries — I need only remind you of the dissidents — has contributed towards this situation in the same way as the fact that the Eastern bloc now appears to be back-peddalling on issues of multilateral concern. There was thus little scope for negotiation in Belgrade. The Soviet Union, for instance, was not concerned whether its attitude to human rights would be exposed internationally, at least not enough to make concessions at Belgrade. The West on the other hand — it must be emphasized, with the full support of the neutral and non-aligned countries — was not prepared merely to discuss economic, social and — as a side issue — military problems. We are forced to conclude that the Helsinki and Belgrade talks were held from completely opposite standpoints. In Helsinki, the Soviet Union wanted a successful outcome and was therefore prepared to make concessions. In Belgrade, the West wanted to make further progress, particularly in the humanitarian field, although not at any price, because an all or nothing approach would have wrong. If the meeting had been broken off, all the positive results achieved at Helsinki would have been jeopardized, a point emphasized by all this morning's speakers.

However, the positive results of the Helsinki Conference are of particular importance for us Germans. I shall not quote any figures, but since Helsinki relations between East and West Germany have been marked not only by the negative aspects to which Mr Jahn rightly referred, but also by positive aspects. In the national and international discussions held at Belgrade on human rights, the re-uniting of families and the granting of facilities were very much to the fore, and clearly a certain amount of progress was

made. These discussions were naturally of particular relevance to the Federal Republic of Germany because of the partitioning of Germany and because German minorities still exist in many eastern European countries. Even at Helsinki it was not intended to seek a solution to the German problem which would be binding under international law, and the result of the conference was in no way to be taken as a substitute for a peace treaty. Our partners in Helsinki were persuaded to agree to this without reservation. We did not want to be treated as a special case within the alliance. As members of the European Council enjoying equal rights, we hope that our partners will continue, in consultation with us, to take an active interest in the peculiar situation resulting from the partitioning of Germany. Despite the unsatisfactory outcome, Basket Three will continue to be effective, even if the East makes repeated attempts to substitute principle VI on non-interference in internal affairs for principle VII on respect for human rights and fundamental liberties.

I should now like to refer to the positive aspects of the Belgrade meeting. The non-committal final document of Belgrade is not the end of discussions on human rights. At the next meeting in Madrid, they will be resumed where they were so abruptly broken off. Although the fact that human rights were pushed to one side in Belgrade may be regarded as a success for the Soviet Union, it has paid a high price for excluding human rights from the process of détente. It has had to admit to the world that the internal order of the entire Eastern bloc is so unstable that it cannot permit the free exchange of political and social ideas. The Soviet Union has been unable to hide the fact that it fears human rights as much as we fear Soviet tanks.

The fact that the final document at Belgrade referred to the participants' obligation to implement fully all the provisions of the Final Act of Helsinki on a unilateral, bilateral and multilateral basis, and that follow-up conferences are to be held, may also be regarded as a success. This means that human rights will continue to be discussed, and that the Soviet Union will be repeatedly confronted with this question. Thus, while the Soviet Union was able to bypass this issue at Belgrade, the significance of its delaying tactics should not be over-estimated, although this is obviously not very encouraging for those who had hoped for improvements. The Belgrade talks have shown that, while the political mood between East and West has become calmer, the admirably thorough discussions started at Helsinki were not completed in Belgrade. The IPU Conference on disarmament in Vienna, which ended yesterday, was similar to the Helsinki talks in that the atmosphere was more relaxed and the discussions were in my view more constructive, just as the final communiqué was more encouraging than at Belgrade. Mr Brezhnev's visit to the Federal Republic may have contributed towards this.

Jung

To sum up, then, the final document of Belgrade is disappointing in the light of our proposals, but it is not the end of the process of détente. It shows that all participants are resolved to implement fully all the provisions of the Final Act of Helsinki. It demonstrates that all the participants attach great importance to continuing the activities of the CSCE and to implementing the Final Act. We must now ensure that the internal, bilateral and multilateral preparations for Madrid are such that the talks will be more extensive, mistrust will be gradually removed, and international respect for the rights of the individual will be strengthened.

I agree with Mr Bettiza that the Madrid Conference should be conducted at a higher political level. We may then hope that the measures called for in Mr Radoux's excellent report will be implemented and that we shall make suitable progress in détente, but more particularly progress in achieving greater respect for human rights.

Président. — I call Mrs Ewing.

Mrs Ewing. — I would like to thank Mr Radoux for this report and for all the work that has gone into it, and to explain that I propose to support the amendments of Mr Bettiza for the reasons that, I think, he so well argued — so I will not rehearse them again. I was, unlike Lord Bethell, a bit disappointed — I expected more — but the infringements of human rights have continued, and the evidence is there, and so we have to hope that although Madrid seems a long time away, it will be a step forward. I was a little concerned by a hint perhaps given by Mr Bertrand that there might be some narrowing down of the umbrella at Madrid and that this might be restricted in some way to points put forward by the working-party of experts. I do feel particularly fortunate in belonging to this Parliament and so having a forum where one can maintain a strong advocacy on the question of human rights at all levels. We Members are fortunate to have that, but it would be rather pointless, I think, if the points we raised and agreed on as being important examples of human rights were in some way to be excluded from the Madrid agenda. So perhaps one is justified in asking whether there is any danger that the agenda will be narrowed in the way I thought that Mr Bertrand hinted at. I am thinking particularly of a debate we had in this House condemning, I think unanimously, the use of psychiatric medicine for persons incarcerated. I think this is the type of matter we want to be sure will be finally brought into the light of day if we are going to have to wait until 1980 for the next round.

Nevertheless, as has been said by many speakers, Belgrade not only took place, it concluded its debate, and there was not a break-up in disharmony. That must be taken as a hopeful sign for us all. It looks as if progress is being made in those areas of human rights involving families, marriage and reunification, and that must be a matter of congratulation to all

concerned. But it does seem that there still are some very worrying areas, particularly the question of incarcerations for periods without trial or charges. Then there are ordinary rights after incarceration that one would take for granted, such as correspondence rights. I speak here as one who has, in the non-literal sense, adopted a Soviet-Jewish prisoner, and I may add that despite very many attempts at an ordinary and orderly correspondence of a non-controversial nature, conducted in Russian through the good offices of a local school's Russian department, not a scrape of the pen is ever received back. Despite attempts to ascertain from high level that my letters do arrive, again a silence descends, and no direct answers can be obtained. That, in addition to our concern about the abuses, the physical abuses, of prisoners would give us, I think, reason to hope that Madrid will encompass a discussion of these very sensitive and delicate areas.

I will now turn to quite a different matter, and I think I may be the only one raising this point, for rather obvious reasons. This is on page 12: the self-determination of peoples. There are difficulties in defining what is a people — it is a bit like an elephant, it is not easy to define, but you can certainly recognize it when you see it. One could add parts to one's definition and say that a nation or a people would have all sorts of community things that they shared. It is obvious there are many peoples who are not enjoying self-determination behind the Iron Curtain, and it is very questionable whether much can be done to bring those rights forward in the foreseeable decades. But I would like to say a word about my own people, the Scots. They have some of these identifiable and definable features that you might expect would accompany what makes a people distinct. They have their own educational system, their own church; they have a separate culture under many headings which probably are familiar to many of you: literature and music, even dress. They have their separate and rather interesting bank-notes proceeding from a historical banking development that was rather different. They have, as you will know from previous times that I have spoken, a separate legal system, so much so that I, as a Scots lawyer, unless Europe can harmonize us all, cannot practice in England, and vice versa. In other words, there is a legal border between Scotland and England for many purposes. There are many things already devolved: health, education, housing, law and order, forests and agriculture and fisheries — but within a certain framework. The proposal is before one of the Member States, namely the UK to devolve more matters to some kind of Scottish assembly. It may be that this will come to pass even before direct elections. It seems unlikely to me, but it is possible.

I would like at this point to draw attention to the first paragraph under point 8, on page 12, where it talks about acting in conformity with the purposes and principles of the Charter of the United Nations, and draw the attention of the Member States, who may not be aware of this, to one principle in particular, which is that of a fair system of assessing and establishing a

Ewing

democratic will for self-determination. Certainly my researches into those parts of the British Commonwealth which have become independent provide many precedents for how the democratic will of a people towards self-determination is to be established. In many instances they have all manner of proportional representation. In Australia, although that was after the event, they have compulsory voting. But however it is, a fair system must be achieved. The Member States may be interested to know that on the question of this setting up of a Scottish assembly, which is at least on the road to self-determination — it may be that that is all that will be achieved by the will of the people of Scotland, but at least this assembly is on the road — there is to be a referendum for all the people of Scotland.

I would suggest that an undemocratic hurdle has been erected of 40 %, not of the votes cast, but of the electoral roll, so that, for instance, dead people on the roll will be voting, many students, if we are not careful, will find that the vote they do cast in one place is cancelled out by the vote they fail to cast in another. Now you may say these are details, but it is perhaps interesting to you to note that Britannia has waived the rules: now that we, as a movement, have got within an ace of getting an assembly — not perhaps all we want, but at least something which might be acceptable to the people of Scotland — Britannia has waived the rules which she normally observes and inserted a barrier against the expression of democratic will which has not been customary wherever parts of the British Commonwealth have shown their wish for self-determination and, indeed, have obtained it.

I would just like to add a word and say that we believe that in due course of time — perhaps at the next election, perhaps not — in any event, the democratic will of the Scottish people will be established. Then, to turn back to that paragraph, it will be clear that it is the wish of these people to settle their internal and external, political status, which brings me to the EEC and prompts me to suggest that the EEC, if it becomes stronger, may make a London link with the people of Scotland rather irrelevant. If the EEC takes on more decision-making in more and more areas, then the London link will perhaps fade away or certainly become less relevant than it is. So I issue again a warning to all the Member States who are interested in my country of Scotland that, if this democratic will is established as envisaged in this principle, to which the participating States have agreed, it may be that, if the people of Scotland so wish, and if they can solve burning questions like the fisheries question, they may seek to become full members of this Community.

President. — I should really have interrupted you, Mrs Ewing, and said that you were digressing from the subject under debate.

I call Mr Dalyell.

Mr Dalyell. — Mr President, I will be very brief, precisely because of your admonition. I do not see that this subject has very much to do with Helsinki, because, frankly, there is no question of violation of human rights in Scotland. Mention was made of the 40 %. Now, let us put the dead men and women in their graves: it is 40 % of those who are thought by the registrar-general to be on the electoral roll, depending on the month of the year in which a referendum takes place. So we are not bringing the dead into it.

Mrs Ewing makes some very tendentious remarks about London becoming irrelevant. I will just say, and repeat, that, as the President of the Commission and his colleagues very well know, there is an issue here for this Parliament. As long as Mrs Ewing and her colleagues go on repeating their assertion that Scotland is entitled to its own Scot as a Member of the Commission — and I exclude the likes of George Thomson, because George Thomson represented Britain — and to its own representative in the Council of Ministers, I think there is an obligation on the part of the Commission and the Council of Ministers to let those who are about to cast their votes in Scotland know precisely what the position of the Community is on this delicate issue. Do not think that it is a purely parochial issue. I say to Commissioner Davignon that it is as delicate a subject as if in his country the Flemings and the Walloons asked to have separate representation. If the Scots, part of an existing State in the Community, try to make such claims, then what about 17 million Bavarians, what about the Basques, and what about the Catalans if Spain joins the Community? If we are going to raise this subject, then we had better do it properly.

President. — I must ask you to keep to the subject under discussion. Under the Rules of Procedure no other questions may be dealt with.

I call Mr Andersen.

Mr K. B. Andersen, President-in-Office of the Council. — (DK) Mr President, I shall try to be brief, and it will hardly come as a surprise when I say that I shall certainly not be commenting on the last two speeches. That I promise, and I intend to keep my promise. Nor shall I be replying to all the points I might have liked to answer, as I feel this has been an extremely interesting debate of very high quality. All in all, I should like to take this opportunity of expressing my pleasure at the great interest shown by this Parliament in progress after the CSCE — and not just today. This can be seen from the many questions put down for Question Time today and on other occasions and which derive directly or indirectly from the CSCE. It can be seen from the discussions in the Political Affairs Committee. In my view, the unremitting interest in the CSCE we have seen here again today is a welcome feature.

K. B. Andersen

I feel that this CSCE 'process' — and I emphasize the word 'process' in order to underline the fact that, as many speakers have pointed out, this is an ongoing thing, i. e. a process, and not something that has been concluded — is a major factor in détente in Europe, which we all wish to see promoted. This process commits the participating states of Helsinki via the Final Act to active cooperation — and not just in general terms, but to active cooperation on a number of major political, economic and humanitarian questions — and it does so in a way which has consequences for the individual citizen. And it is precisely this, I feel, which is of decisive importance — the fact that it is not just a question of relations between states or official bodies, but of matters which are of importance to the individual person on our continent, for the individual citizen in both East and West. Naturally, I agree that everything depends on the way the 35 participating states implement the provisions of the Helsinki agreement, as various speakers have pointed out.

As is also mentioned in the motion under debate, I felt it was of major importance that the 35 participating states in Belgrade held such a detailed and thorough exchange of views, not least because it drew attention to the humanitarian aspects of the Final Act. In this connection I should like to take up two points Mr Radoux mentioned.

Mr Radoux stressed that we must be equally interested in all parts of the Final Act. I feel it is extremely important to emphasize this. Mr Radoux also said — as did Mr Sieglers Schmidt and various others — that we can no longer talk of interference in countries' internal affairs when we are talking of these humanitarian questions. As Mr Radoux stated, it is one of the very, very great achievements of the CSCE process that none of the 35 countries can dismiss these questions as interference in its internal affairs. This is no longer possible after the signing of the Helsinki agreement in 1975.

As regards the final document of the Belgrade Conference, it is true that it was a disappointment, but it was probably not totally unexpected that it would prove impossible to agree on concrete decisions likely to further the implementation of the provisions of the Final Act. As you know, with a view to reinforcing this implementation, the Nine — partly alone within their own group and partly in cooperation with the other Western countries — had put forward a number of proposals on all the main sections of the Final Act. On the other hand, one must not overlook the fact — and Parliament's report does not do so — that, despite its limited extent, the concluding document of the Belgrade Conference contains some significant features, among them the reaffirmation of the participating states that they will implement fully the provisions of the Final Act, and their intention to ensure

the continuity of the CSCE process by deciding to hold the meeting in Madrid.

As regards progress in implementing the provisions of the Final Act, it is widely agreed — and this is the case here today, albeit with some slight differences of emphasis — that much remains to be done. This was probably only to be expected. No-one could realistically have expected the Final Act to be implemented fully within a mere two years. This is something I have said before. If it were so easy to solve all these major problems between East and West, the whole thing could have been solved without this Conference. Some speakers this morning have spoken of our expectations. It must be admitted that these expectations were in some respects too high, and this inevitably led to some disappointment. As Mr Sieglers Schmidt pointed out, the Final Act of Helsinki is a long-term programme, and its implementation will take time. On the other hand, we naturally cannot and must not declare ourselves satisfied with the rate of progress we have seen up till now in implementing the provisions of the Helsinki agreement. For this reason, the efforts to implement precisely these provisions which directly affect the individual citizen in East and West must be intensified before the Madrid conference.

The nine Member States will keep a close watch on further developments, and we will play an active part in unilateral, bilateral and multilateral work on these questions. The Madrid conference provides a renewed opportunity of taking stock of progress in this field, and we shall make the best possible use of it. I should like to say quite clearly to Mr Bertrand that it is definitely the Helsinki agreement which will provide the basis for the meeting in Madrid, and not just the groups or meetings of experts. I was glad that Mr Bertrand raised this point, as it gives me an opportunity to state categorically that the basis *will* be the Final Act — and this is the first time I have heard of any idea that it would not be. I am glad to have had this opportunity to emphasize this.

The Nine will take positive steps to ensure that the preparations for the Madrid Conference are as thorough as possible, so as to increase the chances of tangible results. One of the major factors in this respect is the continued cooperation between the Member States. In this context I should like to express my thanks to Lord Bethell. I believe that this cooperation is the clearest indication of the value of the political cooperation between the Nine. Lord Bethell asked whether we could give an assurance that individuals could continue to monitor the consequences of the Final Act. I can assure you that it is the view of the Nine that individuals must be able to draw attention to and criticize violations of the Final Act, and that these individuals must not be persecuted for criticizing their governments' failure to implement its provisions.

K. B. Andersen

It is also important, as Mr Dankert said, that we should cooperate closely with the United States, and it is probably true that differences over the question of human rights have arisen between the United States and the countries of Western Europe, some of whom had more immediate problems to solve, and they did not want them debated in a context strewn with pitfalls.

We must also involve the countries of the Atlantic Alliance, and continue our close cooperation with the neutral and unaligned countries — as well as with the countries of Eastern Europe — with a view to preparing realistically for the meeting in Madrid. In this connection, I should like to say to Mr Bertrand — just before I conclude — that I agree fully with the remarks about the value of the willingness to hold talks, the willingness to engage in a dialogue. The mere fact that this large group of countries covering the whole of Europe is meeting to discuss major questions affecting the individual and society is in itself of value. We must not be over-optimistic, but this dialogue itself is of value.

Finally, we can ask ourselves — as many have done here today — how fast we can proceed in this way. My answer is: as fast as the ongoing dialogue permits when we put our weight behind it.

In my bookcase at home — which I have not really been able to consult very often in the last few months — I have a book of political essays entitled 'The Word or the Sword'. We are following a process of détente on the basis of the 'word' of the CSCE, and I am sure no-one here would like us to follow any other path — and this naturally determines the rate of progress.

Furthermore, we must not forget that dissatisfaction and disappointment here and elsewhere are a sign that something is in fact happening. If nothing is happening, there is no movement, then there are no expectations and hence no disappointments. Dissatisfaction and disappointment in themselves are thus an indication that something is happening in a number of fields which were previously 'taboo' between East and West. I welcomed what Mr Jung said about the positive results which were of such great importance for his country.

We here do not think that enough is happening, but I think we must recognize — as has been pointed out here today — that the CSCE is evidence of movement in the process of détente in Europe, and as such it is a welcome development.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Mr President, first of all I must thank Mr Radoux both for his written report and for his presentation of it here this morning. He summed up the problem excellently, and this means that I can be very brief with my comments on the Belgrade Conference.

Several speakers have made a point of stating this morning that what was notable about the meeting in Belgrade was the difference between events during the Conference and the document that was produced at the end. Many proposals and ideas were put forward during the meeting, not in an attempt to amend the Final Act of the Helsinki Conference, but to encourage its logical development in a way which most States would consider a natural extension of the process of détente. The concluding document, on the other hand, produced nothing new — although I feel we have to be very careful here and not consider the Belgrade document in the same light as the Final Act of the Helsinki Conference. The document produced in Helsinki is a policy document which outlines the path to follow, whereas the Belgrade Conference was simply a meeting to take stock of what had been achieved. We have to remember this, and it is thus quite clear that the Madrid Conference will effectively concern implementation of the Final Act itself. A few details may be added as a result of the planned meetings of experts, but the Belgrade Conference has in no way altered or amended the Final Act. The European Community insisted on this.

One of the most striking aspects of the Belgrade Conference, as far as the Commission was concerned, was the assertion of the political role of the Member States of the European Community. It is particularly poignant to recall the fact today, but it was Mr Moro, as Prime Minister of Italy, who signed the Final Act in Helsinki and who added in writing that he was also signing in his capacity as President-in-Office of the Council of Ministers of the European Community. This first assertion of the existence of the European Community was made in this unequivocal manner, although the method was still unsatisfactory, in Helsinki.

On the other hand — and this was pointed out by several speakers — it was in Belgrade that the Member States of the European Community asserted their position through a Community approach which was unlike anything that had gone before. The Commission was part of the Council delegation, and on this point I should be grateful if Mr Radoux would consider a very minor criticism I should like to make concerning the text of his motion for a resolution. The last recital mentions 'the representatives of the Nine Member States of the European Community, assisted by the representatives of its Commission'. I do not think that this wording gives a true reflection of what happened. The representatives of the Commission were members of the Council delegation and spoke on behalf of the Community 'within its sphere of competence', as paragraph 13 makes clear. 'Assisted' gives the impression that we were just a back-up team, a secretariat, whereas we took an active part in the discussions on matters which concerned us, and did so in the spirit of cooperation which is a feature of the link between the Commission and the work of political cooperation. I feel that truth would

K. B. Andersen

be better served if we simply substituted 'and' for 'assisted by'.

I should also like to take this opportunity of thanking the three Presidents-in-Office — from the United Kingdom, Belgium and Denmark — and their assistants at the Belgrade Conference for the manner in which they allowed the Commission to participate in their work.

Two final comments, Mr President. The first concerns a basic issue. In one of the proposed amendments and during the debate it has been suggested that basic commercial relations between the Community and the Comecon countries should not be organized in a multilateral context, but rather on the basis of bilateral relations. I should like to say that the position of the Commission and the Community is quite clear on this issue. We want to establish with the Comecon countries trade relations which are based on recognition of the Community and of the authority it derives from the Treaty. With all these countries we want to have relations which are as clear and as well-defined as those we have with the rest of the world. It is not our aim to establish with these individual States relations of a more general nature, the economic and political drawbacks of which are quite obvious.

One final word, Mr President, about human rights. They have been mentioned several times today, and if one thing is certain, in my view, it is that the evolution of the human rights problem will be as long and as difficult as the transformation from an era of détente to an era of real cooperation in which human rights mean the same thing to all those involved in this cooperation.

The question of human rights is fundamental in the Commission's view. We have recently reaffirmed this with the proposals which were accepted by the European Council on the profoundly democratic nature of the fundamental freedoms which are an integral part of the *Community heritage*. There can be no doubt that, with this ideal, and advocating this kind of society, the Community must be consistent with this fundamental statement of principle in its dealings with the rest of the world. This is, and will continue to be, an important point for us. It is in this light that we attribute such great importance to paragraph 11 of Parliament's resolution, in which we are called on to implement all the principles and provisions of the Final Act of Helsinki.

Today's debate has revealed the twofold desire to continue with the long and difficult process of détente and to provide an analysis of the Belgrade Conference with which we can all agree. Belgrade is only a staging-post. We did not get as far as we should have liked, but it was the start of a genuine dialogue. We are not going to renounce any of our aims and shall try to achieve them at the meeting in Madrid. Our chances

of success will be increased if the Community, through its political action and through its solidarity, can exercise the firm influence which comes from its place in Europe.

(Applause)

President. — I note that there are no more requests to speak. The vote on the motion for a resolution together with the amendments which have been tabled will take place this afternoon during voting time.

The debate is closed.

5. Elections to the European Parliament by direct universal suffrage

President. — The next item is the report (Doc. 65/78) drawn up by Mr Patijn on behalf of the Political Affairs Committee on the decision of the European Council of 7 and 8 April 1978 to hold the elections of the European Parliament by direct universal suffrage in the period between 7 and 10 June 1979.

I call Mr Patijn.

Mr Patijn. — *(NL)* Mr President, I think it will be best — at any rate as far as I am concerned — for us to make this debate as short as we possibly can. My Group at least has decided to do so and has designated me, as rapporteur, to double as spokesman for the Group, which is a start.

In April this year the European Council took the definitive decision on the election date. Last Friday we received news from England that the elections bill had been passed and our British friends, whom we had been accusing for so many months of being such laggards, deserve our congratulations since, apart from some minor points they are at the moment among the front runners with regard to completing all the necessary procedures. We can, of course, say that it was our pressure which led to this, but that is neither here nor there, the fact is that the British Government and the British Parliament have finished dealing with the elections bill and as far as Britain is concerned the June 1979 date no longer presents a problem. At the moment, besides the British ratification which will be coming shortly, there is just one ratification to come, namely from France, and I very much hope that the French Government will be able to inform us in the very near future that it has deposited the ratification document in Brussels, for that is what my brief motion for a resolution, which I have tabled here on behalf of the Political Affairs Committee, is about.

What has to happen now is that under the terms of Article 10 of the Council Convention we receive a proposal on which Parliament gives its opinion, and that the final stage is then for the definitive decision to be taken by the Council in legally binding form. But before that proposal can be submitted, thus imple-

Patijn

menting the legal instrument, which is the real crux of the matter, the last ratification has to have been received. In view of the period of one month which must elapse between depositing the last ratification document and the entry into force, I very much hope that this matter can be completed before the summer recess. I should like to ask the President-in-Office of the Council, Mr Andersen, whether this is the case — in other words does he still see any possibility of our being able, during our July part-session this year, i.e. in the last part-session before the summer, to deliver our opinion on the date, so that the final definitive binding Council decision can take effect before the summer? I very much hope so; if not, it must at all events be in September.

As far as the motion itself is concerned, I should like to leave it at that with one small correction — we have distributed a brief corrigendum. This is in accordance with our own motion for a resolution of two months ago, which said that in future we should talk about the European Community and not about the European Communities in the plural. Now we have made the mistake ourselves of not keeping to this in our text, and this corrigendum puts that right.

I should, however, like to say one thing about the future, the coming thirteen months. Today is 10 May 1978. On 10 June 1979, in thirteen months' time, the European elections will be over. The last votes will have been cast. Thirteen months which include a whole summer recess. Time is extremely short between now and 7 June 1979, the date of the first voting. The central question in all this is what we are going to do in the coming months, how we are going to face the electorate. And I should like to take advantage of the presence of the President of the Commission, Mr Jenkins, to make one or two remarks about this.

A great deal naturally depends on the information given to the electorate, on the information programme and everything connected with it, and on putting into effect the decisions that we must take here in this House. But let me add straightaway that while these are things that must be done they are not of essential importance. The essential point is what happens to the Community next year, what happens, following the Copenhagen Summit, to the decisions taken there. What has been achieved, both by the Commission with its proposals and ideas on economic and monetary union and in the fields in which Copenhagen was obviously meant to make a start — with regard to economic and monetary cooperation and in combating the unemployment affecting seven million persons in the Community — that is what determines what the European Community will look like in June 1979 and not the question of whether we get a constitution in time or whether we put forward all sorts of implementing regulations in time; these are internal matters. The essential point is that decisions are taken

on by what happens after Copenhagen: whether Mr Davignon gets his industrial policy off the ground, whether agreement can be reached in Brussels on fisheries and agriculture, whether we can take the necessary measures in the field of social policy in response to the situation of seven million unemployed, including so many millions of unemployed young people, whether we can draw up a programme. In other words, what is the Community going to do in the year 1978/79, what are we going to face the electorate with? If we do not make a decisive start on these operations, if nothing happens in the coming year, that will mean disillusionment on the part of the electors in whom we are arousing expectations with an elected Parliament, but whom we in fact keep waiting in vain for our concrete socio-economic measures. I very much hope that we shall use the thirteen months to do what is actually necessary in the fields I have mentioned, which is much more necessary than the formal operations and information measures that we are quite capable of organizing ourselves.

I shall leave it at that. It is our task in the Commission, in the Council and in Parliament to concentrate on these points in the coming thirteen months. The rest, the technical details, we can sort out in the next few weeks. That will not present any problems, and we shall be able to settle all that internally. The essential thing, however, is what we are going to do about the problems I have mentioned, about all the concrete acts the citizens of Europe expect of us.

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

The House will rise.

(The sitting was suspended at 1 p.m. and resumed at 3.05 p.m.)

IN THE CHAIR: MR SPÉNALE*Vice-President*

President. — The sitting is resumed.

6. Statement by the President

President. — I should like to inform you that at the beginning of tomorrow's sitting at 10 a.m. Parliament will pay tribute to the memory of Mr Aldo Moro.

7. Membership of committees

President. — I have received from the Socialist Group a request for the appointment of Mr Carpentier to the Committee on Budgets to replace Mr Pisani, and of Mr Pisani to the Committee on Economic and Monetary Affairs to replace Mr Carpentier.

President

I have received from the Liberal and Democratic Group a request for the appointment of Mr Pintat to the Political Affairs Committee to replace Mr Durieux. Are there any objections?

These appointments are ratified.

8. Agenda

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

Mr Fellermaier. — (*D*) Mr President, we have been informed that an extraordinary sitting of the Bureau of Parliament is to take place at 6 p.m. But a meeting of the Political Affairs Committee has also been arranged for 6 o'clock. Since those Members who belong both to the Bureau and the Political Affairs Committee cannot be in two places at once, I should be grateful if the Bureau would arrange to hold its meeting at a different time so that it does not clash with the meeting of the Political Affairs Committee.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Concerning the order of the day, you will see, Mr President, that there is to be a joint debate on fishing: that is, Nos 68, 38, 69, 70, 71 and 72. As you know, Sir, Mr Gundelach will not be able to attend at all today, and my proposal is that we should postpone this particular debate until next month, when not only is there a possibility that some decisions will have been arrived at in the Council of Ministers, but also we shall have the attendance of the appropriate Commissioner for that moment. I think it is important. I will not go so far as to say that extensive consultations have taken place over this matter, but I can say to the House that there have been consultations with those people who are concerned with the various debates that I have outlined just now, and there is agreement amongst us all, with your permission and the House's permission, that this debate should be postponed until next month. I beg to move.

President. — Are there any objections to Mr Scott-Hopkins' proposal?

I call Mrs Ewing.

Mrs Ewing. — I have no objection, so much as a point of information to raise. I have got Question No 28 down. In the event of my agreeing to the postponement, because my question was overtaken by the debate, does that mean, Mr President, that my question would revive on the order paper?

President. — Are there any objections to postponing the debate on fisheries?

That is agreed.

Therefore your question, Mrs Ewing, will be dealt with during Question Time.

In reply to Mr Fellermaier's question, I would point out that in theory the meetings of the Bureau have

precedence, especially when, as in this case, unforeseeable circumstances are involved. However, it would be best to come to an arrangement. The Political Affairs Committee could, for example, hold its meeting an hour later, but we cannot decide on this in the absence of its chairman. I therefore propose that the meeting of the Bureau be brought forward to begin at 5.30 p.m., i.e. after voting time. Since it will be short, the Members of the Bureau who belong to the Political Affairs Committee will be able to attend the meeting at 6 o'clock.

Are there any objections?

That is agreed.

9. Question Time

President. — The next item on the agenda is the continuation of Question Time (doc. 98/78). We begin with the questions addressed to the Council. Since its author is absent, Question No 25 by Mrs Casanmagnago-Cerretti will receive a written reply¹.

I call Question No 26 by Mr Hoffman:

The Commission loans proposed by Vice-President Ortoli amounting to 1 000 million EUA might be allocated to projects which do not accord with the uses recommended and approved by the European Parliament and which restrict the scope of the Community's borrowing policy. Can the Council therefore answer the following question:

Is it prepared to initiate the consultation procedure with the European Parliament on the Commission's proposal concerning Community loans totalling 1 000 million EUA?

Mr K. B. Andersen, President-in-Office of the Council. — (*DK*) The Commission's proposal to the Council for a Decision authorizing it to float loans to promote investment in the Community is still being examined by the Council, particularly in the light of the opinion delivered by the European Parliament on 12 April this year. When this examination has been completed, the European Parliament will naturally be informed of the common position arrived at by the Council with a view to a possible conciliation procedure as requested by Mr Hoffmann.

Mr Hoffmann. — (*D*) I am therefore assuming that this conciliation procedure will be initiated.

I would be interested to know whether I am right in thinking that the negotiations between the Commission and Council are being conducted on the basis of the views of the Council and not those of Parliament.

Mr K. B. Andersen. — (*DK*) As I see it, these two things are not necessarily in conflict. Negotiations will be conducted on the basis of the Council's deliberations and decision. As usual, Parliament's views on the matter are being taken into account in this process.

¹ See Annex.

President. — I call Question No 27 by Mr Herbert :

What measures have been adopted by the Council since 1 January 1973, which took cognizance of Protocol No 30 to the Treaty of Accession ?

Mr K. B. Andersen, President-in-Office of the Council. — (DK) The framework of Question Time unfortunately does not permit me to read out Protocol No 30 to the Treaty of Accession in full. However, since, like the other legal acts of the Community, it was published in the Official Journal of the European Communities, I should like to refer you to the text as published. In direct reply to Mr Herbert, however, I should like to say that the Council is extremely aware of the particular problems facing Ireland and is giving thought to the provisions of Protocol No 30. As far as social and regional policy are concerned, I can refer in particular to the two funds, namely the Social Fund and Regional Fund, which are governed by regulations and other provisions in which account is taken of the situation in Ireland.

Mr Herbert. — Does the President-in-Office accept that the measures so far taken in no way reflect the Community's obligation under Protocol 30, and furthermore is it not true to say that other areas of the Community have received more favourable treatment despite the fact that they had no similar protocol ?

Mr K. B. Andersen. — (DK) We in the Council naturally observe the relevant provisions, i.e. those laid down in the Protocol. I should like to add incidentally that I have just visited Ireland and had a further opportunity to familiarize myself with the very particular situation in Ireland about which, I think, all the Member States are concerned. I should like to draw the attention of the honourable Member to the fact that this matter is not closed, it is a process which is continuing in accordance with the particular provisions contained in this Protocol.

Mr Kavanagh. — In view of the fact that the transitional period for Ireland ended only on 31 December 1977, would it not be more appropriate to ask the President-in-Office if the Irish Government has proposed any new measures since that date ?

Mr K. B. Andersen. — (DK) This is, I think, a very reasonable question which, I assume, the questioner will put to the Irish Government.

(Laughter)

President. — I call Question No 28 by Mrs Ewing :

Will the Council give an up-to-date statement on the present position with regard to negotiations for a common fishing policy ?

Mr K. B. Andersen, President-in-Office of the Council. — (DK) I have no wish to take up too much of Parliament's time but I nevertheless hope that the

President will permit me to answer this question in a little more detail than the last two, since it involves a series of problems which are difficult to deal with briefly. I will however be relatively brief and I hope I have the President's permission to answer.

There have been no new elements of importance in the work on the common policy for the conservation and management of fishery resources since the President of the Council gave his statement on the Council meetings last February. Unfortunately, nothing came of the January meetings, but this in no way means that the Council has given up hope of reaching agreement on this matter which, as we all know, is one which calls for swift action. I should like to assure you that no effort will be spared to overcome the last obstacles standing in the way of agreement.

In view of this, the Council feels that it must continue to examine the problems still outstanding. We therefore discussed the various views at the meeting of 24 April and it was agreed to return to the entire question including the structural problems, before the end of May. In the meantime consultation between the Commission and the Member States is continuing.

I think I can leave it at that, and refrain from giving Mrs Ewing the information on the external fisheries policy which I could have given her if she had asked me to do so.

Mrs Ewing. — Is the President-in-Office aware that there is a new element indeed, which is the fifth report of the Expenditure Committee of the House of Commons, an all-party committee, which has been sitting for some years, on the fishing industry, that the recommendations have the support of all parties in the House of Commons, that this report states that the principle must be effective conservation, and that it indicates its concern with future additions to the Community such as the problem of the Spanish fleet ? Is he aware that the report recommends 50 miles and thinks that the retreat from 100 was unwise, and that the retreat from 100 was unwise, and that in so far as external matters are concerned they suggest that it might be wise for the UK to negotiate with Norway bilaterally, there being a precedent in Denmark's negotiating bilaterally with Sweden and Norway, and that they point out the old truth, which remains indeed a non-new element, that 55-66 % of the Community resources lie in the waters of the UK and Ireland, of which a great proportion lie in Scottish waters ? Are we going to get any justice for our fishermen in the debate that is going to take place next time ?

Mr K. B. Andersen. — (DK) I am familiar with this report.

Mr Corrie. — Can the President-in-Office say if there is basic agreement between eight of the countries and only one country holding out and, if so, can he say which specific problems are stopping an overall agreement ?

Mr K. B. Andersen. — (DK) I think it would be reasonable to leave the exhaustive answer which this question would require for the debate which has been postponed until a subsequent part-session at the request of this House.

Mr Nyborg. — (DK) In view of what the President in Office of the Council has just said, namely that it is intended to postpone a fisheries debate which is planned for today, I should like to ask him whether or not he feels that it would be useful to hold this fisheries debate today in view of the current problems in this very sector in Denmark where many ports are blocked by fishing boats etc. in protest against the quota arrangements which have been introduced.

Mr K. B. Andersen. — (DK) Mr Nyborg clearly arrived late and is therefore unaware of what happened at the beginning of today's sitting. The President decided that this debate should be postponed. This was the President's decision — it has nothing to do with me. I am at the service of Parliament and I answer in a debate when it takes place. If the debate is postponed, I have nothing to say. For the information of other honourable Members I should like to say that I do not think we should trouble Parliament with the illegal action which is unfortunately taking place in Denmark at the moment. One party in Denmark which is extremely close to Mr Nyborg, appears to be supporting certain aspects of this unlawful action. I do not think this Parliament should be troubled with this problem. This is a democratic assembly.

(Applause from certain quarters on the left)

President. — Mr President, I must point out that it was Parliament which decided to postpone the fisheries debate, not its President who, like you, is at the service of Parliament.

Mr L'Estrange. — The President-in-Office has stated that no effort will be spared to overcome recent obstacles. Could he tell us what the recent obstacles are? And is he fully aware that Irish fishermen and their organization are still demanding a 50-mile exclusive limit, as Mr Lenihan and Mr Gibbons were demanding here last year?

Mr K. B. Andersen. — (DK) I have been involved in parliamentary work for 20 years. This is the first time I have received one request after another to open a debate which the assembly itself had decided to postpone. I have no wish to play any part in this, since I do not believe it would be courteous vis-a-vis this House.

(Signs of approval from the Conservative benches)

Mr Prescott. — I think some of the questions tend to show the political differences that exist rather than the reality that we have. We, in the Socialist Group, see an expression of our desire to support the Presi-

dent-in-Office in the fact that we have removed the debate and hope that an agreement can be settled in May. We wish him well in establishing the agreement, in May, for then we can debate the real issue.

President. — Since its author is absent, Question No 29 by Mr Cousté will receive a written reply¹.

I call Question No 30 by Mr Osborn:

Many basic industries in the Community are being subjected to competition from cheap imports, and where necessary, the Community has negotiated with third countries on the limitation of imports; what other industries have been considered for such negotiations, and is the Flatware and Cutlery industry amongst them?

Mr K. B. Andersen, President-in-Office of the Council — (DK) As you all know, a policy has been introduced for the restructuring of various sectors, particularly in the textile, iron and steel and ship-building sectors. This restructuring will, of course, involve measures relating to trade policy and, in particular, arrangements with non-member countries in these sectors. This policy is important, since it gives industries in difficulty the necessary breathing space to carry out the restructuring which is absolutely essential. However, this policy alone is not enough. It must be accompanied by a whole series of measures aimed at overcoming the problems of surplus capacity and reestablishing industrial structures capable of facing world competition.

I mentioned three sectors. There are of course other sectors in the Community in difficulties. For example, at its last meeting of 2 May, the Council devoted particular attention to the footwear sector and, among other things, urged the Commission to continue its contacts with those countries which are major suppliers to the Community market, in particular the Irish market. As you know, it is up to the Commission to propose measures which it considers appropriate to overcome these difficulties. The Council has not as yet received any proposals for the conclusions of voluntary restraint arrangements in the factors mentioned by the honourable Member, i.e. flatware and cutlery.

Mr Osborn. — While the President-in-Office has mentioned a number of industries that have been affected by imports from developing countries and state-trading countries, has he not had brought to this attention the plight of the cutlery and flatware industry of Solingen and Sheffield in particular and the fact that there is difficulty in deciding whether blanks imported from third countries indicate whether the products are being made in Europe or Sheffield or Solingen respectively, and has the Council of Ministers not has been asked to look at the plight of that particular industry yet?

¹ See Annex.

Mr K.B. Andersen. — (DK) Firstly, no proposal from the Commission on this particular matter is currently before the Council. Secondly, I can inform the honourable Member that at the next Council meeting, or perhaps the next but one, but at any rate at one of the two June meetings, we will have a general debate on threatened industries in various sectors, which the Danish Presidency has requested the Commission to prepare. Thus, no proposals have been received relating to the field mentioned by the honourable Member, but we will of course bear these points in mind when we hold this debate on either 6 June or 27 June this year.

Mr Scott-Hopkins. — Would not the President-in-Office agree that we do not want a restrictive régime brought about within the Community, we want to be open-looking as far as the outside world is concerned? And would he also agree that it is not the job of any organ of this Community to restructure any industry? It is up to the industries themselves and the national governments to decide whether any import restrictions are imposed or any breathing-space provided for those industries to reorganize and not for the Commission, or indeed, the Council to enter into the restructuring of industries throughout the Community.

Mr K.B. Andersen. — (DK) I was clearly too brief in my answer as there appears to have been a misunderstanding.

What the Danish Presidency has asked for is a general analysis by the Commission of State subsidy measures which distort competition and an examination of the question of whether effective checks are kept on these measures. We want to see this done for the same basic reason as that implied in the honourable Member's question. In addition, however, we have noticed that there are some sectors which are in very particular difficulties, and for this reason we have asked for information on what is happening in the individual sectors. However, as I have just said, our main aim is to make certain that this Community is an open Community in these fields and that there are no national measures likely to distort competition which are not subject to checks and are in accordance with the Treaties or derogations provided for in the Treaty.

President. — I call Question No 31 by Mr Shaw:

How does the Council propose to provide satisfaction to injured parties as a result of the decision of the Court of Justice to declare a Council regulation illegal?

Mr K.B. Andersen, President-in-Office of the Council. — (DK) In accordance with Article 176 of the Treaty establishing the European Economic Community the Council must, if necessary on a proposal from the Commission, take necessary measures to make a regulation comply with the judgment of the Court of Justice. This goes without saying. On the other hand, it is not up to the Council to take the

initiative with regard to parties who consider that they have suffered a loss as a result of a Council act being declared void. The injured parties themselves must take an initiative of this kind. This is not, of course, to say that no damages will be paid if the courts so decide but it is not up to the Council to take this initiative and this is the crucial point of the question as I understand it.

Mr Shaw. — Does that mean that the Council would insist that, first of all, there must be a court assessment of damage and, arising from that would the Council then agree to accept the liability for that damage? Finally, if they did accept that liability, would it necessitate a supplementary budget, because there is no such line in the present budget to cover such payments?

Mr K.B. Andersen. — (DK) As I see it, there are two parts to this question and I hope I have understood Mr Shaw correctly. The first part concerns decisions by the Court of Justice which the Council must comply with. The second part deals with the question of what the Council would do if... All I can say is that, as I am sure I have said before in this Parliament, I have never met ministers prepared to answer questions beginning with 'If'. At any rate, any that did so did not long remain ministers.

(Laughter)

Sir Geoffrey de Freitas. — I do not understand this at all. If damage is suffered as a direct result of an illegal Council regulation, is not the Council under an obligation to pay damages to an injured party? And I say 'if' because, whether the Council have met this before or not, the question arises. If not, why not? And if so, how are these damages to be assessed and where are they to be paid from, from what fund? I follow my colleague, Mr Shaw, This is a very serious matter.

Mr K.B. Andersen. — (DK) It is absolutely impossible to say what a case of this kind could involve in, for example, financial terms, but there is no doubt that if the Court of Justice reaches a decision involving the Council the Council will, in every respect, comply with this decision. Questions of this kind have not, as far as I know, arisen to date, but you can rest assured that this is what would happen — and I am glad of this opportunity to make this quite clear.

President. — Ladies and gentlemen, I should like to point out to you that a supplementary budget would be the subject of discussion not only in the Council but also in Parliament.

I call Question No 32 by Mr Howell:

How does the Council view the differing situations in Member States with respect to identity card requirements, and has it considered any proposals for the introduction of an EEC identity card with Community-wide validity?

Mr K.B. Andersen, President-in-Office of the Council. — (DK) It is up to the individual Member States to decide for themselves whether or not their nationals should or should not have identity cards, and the Council has no wish to involve itself in this decision which is solely the decision of the various Member States. I should like to add that the Council has not received any proposal for the introduction of a Community identity card with validity in all the Member States.

Mr Howell. — I am most disappointed with the President-in-Office's reply to my question. Would he not agree that the introduction of a Community-wide identity card would be the first tottering step to the establishment of a real community? Does he also not agree that it is intolerable that passports should still be necessary for citizens of the EEC to pass between one Member State and another, 20 years after the establishment of the Community?

Mr K.B. Andersen. — (DK) Mr Howell, in a parliament it is customary to speak frankly to one another, and I freely admit that I find it rather difficult to regard this proposal as a very important step towards the construction of Europe. The honourable Member asks if I would not agree that this is a first tottering step on this road. Well, I would tend to stress rather the 'tottering' than the 'first'. My own view is that the construction of Europe will be helped more by more serious, far-reaching steps such as we are currently considering in the economic, monetary and employment fields, then by measures such as this which can easily give the impression that we are creating something when we are not really creating anything which goes to the root of our common European problems.

Mr Radoux. — (F) Can the President of the Council confirm that the reason that Community citizens have not yet a European passport is that no agreement has been reached, firstly on the colour of the passport and secondly on the question of whether the words 'Community' should be placed before the name of the State to which the citizen receiving the passport belongs?

Mr K.B. Andersen. — (DK) Without knowing all the finer points of the problem, I can confirm that this matter has been under consideration for getting on for four years. It has constantly got bogged down in various what I might call technical details, including those mentioned by Mr Radoux, but at any rate I would repeat what I said in reply to the previous question. I believe that we shall have to dig a little deeper if we wish to be a real European community.

Mr Cointat. — (F) Since Mr Radoux has asked the question I wanted to put I will simply ask this. If it

takes four years to decide on the colour of the European passport, how long will it take to arrive at economic and monetary union?

Mr K.B. Andersen. — (DK) I can only say that I share the honourable Member's scepticism.

(Laughter)

Mr Jakobsen. — (DK) Given Mr Andersen's scepticism and his belief that European cooperation must be based on something more substantial than the colour of the passport and the like, would he be willing to whisper in the ears of some colleagues from other Member States that the Members of this Parliament would find it tremendously helpful if a stop could be put to the practice in various airports of checking on every occasion whether the Member in question features in the card index of suspected criminals. This is a time-consuming and completely unnecessary piece of bureaucracy. I shall not specify all the airports, but I would point to Brussels as one of the worst. Perhaps the President-in-Office could suggest gently in the right quarters that the future development of this cooperation would be helped if something could be done to ensure that we are spared this quite incredible identity parade. After all, we come once a week. It is extremely unlikely, no matter what criminal tendencies one may possess, that one will suddenly take to crime from one week to the next and suddenly appear in the card index.

Mr K. B. Andersen. — (DK) I too, often fly in and out of airports, and in Brussels I go through exactly the same passport control as everybody else. So far I have managed to do this without anyone seeing directly in my physiognomy anything that indicated that special treatment was necessary. Of course, I suppose it all depends on your individual looks.

(Laughter)

Anyway, however that may be, I would say to Mr Jakobsen that I am always very cautious about this matter of checks in airports, given the present pitiful state of the world. The way things are in Europe and the world at the present time we must in my view occasionally accept that sensible and reasonable considerations give rise to practical steps which are less reasonable. I would be rather wary of interfering here, but I have taken Mr Jakobsen's question on board. Nonetheless, I should be careful about protesting about minor irritants and would be inclined to resign myself to airport controls.

Lord Bethell. — Could the President-in-Office give us one good reason why the European passport, which we all have, and which several thousand servants of the Community have, should not be made available to every single one of the 250 million citizens of the Community.

Mr K. B. Andersen. — (DK) I can give the one good reason that we have hitherto been unable to agree about this amongst ourselves.

Mr Fellermaier. — (D) Even if we accept what the President of the Council has just said about not disregarding the security controls, can he explain to me why in entering certain Member States Community citizens have to fill out a card which then has to be shown with the passport to the passport control officer, whereas this card is not necessary in other parts of the Community. This can hardly have anything to do with the security requirements of the national police authorities. I should be grateful to hear whether the Council could at least agree on the lowest common denominator and eliminate this business with the cards.

Mr K. B. Andersen. — (DK) I cannot give Mr Fellermaier a very exact answer to his question, but the passport procedures and what goes with them cannot be viewed in isolation from the other control measures. The various Member States may have different procedures, but I cannot give any details.

Mr Leonardi. — (I) Do you really believe, Mr President of the Council, that the caution which you advocate really justifies the procedure to which I am subject every week, when, armed with my laissez-passer which shows that I am a Member of this Parliament and proves my identity by the photo attached to the laissez-passer itself, I have to watch the frontier guard fumbling through a book to check whether I may perhaps be a suspected person?

(Laughter)

Mr K. B. Andersen. — (DK) I don't know what the honourable Member expects me to reply to that. I would willingly issue an oral affirmation which would spare you this kind of thing in the future, but this would require a corpus of proof which I do not possess at the present time.

Mr Aigner. — (D) Mr President of the Council, has the Council ever considered when it finds itself unable to take a decision on such matters as the creation of a passport, whether it should not get around to suggesting a different decision-making body, i.e. it should ask Parliament to take by simple majority the decision which the Council is apparently incapable of making.

Mr K. B. Andersen. — (DK) I should be more inclined to say that in a normal Europe — do not misunderstand me, but we can hardly talk about a normal Europe at the present time — this question would be one which could be resolved by a simple majority decision in the Council. After all, we try to proceed by majority decisions in matters which Member States cannot reasonably be entitled to

describe as vital. I believe that if this was clearly a technical matter, as Mr Jakobsen suggested, then once the parties had reached the end of their patience in the negotiations they would simply say, 'Let's decide this matter by a majority vote'.

The reason I am hesitant now, and why I was cautious in my reply to Mr Jakobsen and Mr Leonardi, is that there are security questions at the present time. When I think of the security debates I have been involved in with respect to Denmark I am rather reluctant to come forward with proposals for common procedures.

An answer could probably be found to the question of the colour, but it is not as simple as that, and I took it that the honourable Member was raising questions other than the colour of the passport. In my view we must realize that what we are talking about here is not simply convenience; we all find these checks in the airports extremely irritating. But they are part of and must be seen as part of the security arrangements which every government must try to implement in the best possible manner. This does not mean that the road is open to all sorts of absurd red tape, but we in the various governments who have to carry this responsibility consider it a heavy one at the present time, and are reluctant to oppose such procedures even when they entail irritating details like those mentioned here.

President. — I call Question 33 by Mr Normanton :

To what extent has the Council been able to agree reductions in subsidies paid to industries in the public and private sectors?

Mr K. B. Andersen, President of the Council. — (DK) As you know, Article 92 of the Treaty defines the conditions in which aid granted by Member States is incompatible with the common market. This is what I was dealing with in my reply to a question some three-quarters of an hour ago. The Treaty thus defines the kinds of aid which are compatible and those which are incompatible with the Common Market. Article 93 entrusts the Commission with the task of keeping under constant review all systems of aid existing in the Member States. The Commission also has to give its opinion on plans to introduce or alter aid and, more generally, on the compatibility of any such aid with the common market. In other words, these are the matters I was dealing with a short time ago.

On behalf of the Council I would inform you that in view of the steadily growing use of State aid the Commission has been authorized to submit a document, — the document which as I said earlier the Presidency has asked for, and which deals with the general guidelines which the Commission intends to follow in future with respect to the approval of sectoral aid schemes which the Member States may wish to introduce. It is intended that this document should be subjected to a general discussion in the

Andersen

Council with a view to examining all the aspects of this matter, as I explained a short while ago. The Presidency intends to try and have a first discussion in the Council some time in June.

Mr Normanton. — I am grateful to the President-in-Office for that reply, though not entirely satisfied with it. Though the Commission, as he so rightly puts it, has a duty under the Treaty of Rome to work towards the abolition of all distortions of trade, is it not the Heads of State and the ministers of Member States meeting in Council who are themselves responsible for decisions to resort to the ever-increasing use of subsidization techniques? Would the President-in-Office, therefore, at future Council meetings repeatedly draw the attention of his colleagues to the futility and, indeed, the long-term folly of Member States' resorting to these practices as a substitute for restructuring industry, and would he not agree that this malpractice is nowhere more strongly in evidence than in those sectors of industry which one may best describe^a as State-owned?

Mr K. B. Andersen. — (DK) I agree with the honourable Member that this is an extremely important task and it is for this reason that the Presidency wishes to have the whole situation looked into. Before we can solve these problems we must know what State aid is being given at the present time, and we shall discuss this in June on the basis of facts which we lacked hitherto, since no such study has been available to us. But I can assure the honourable Member, that the objective — at least of the Danish Presidency — is the same as he defined in the first part of his question.

Mr Prescott. — I wonder whether the President-in-Office feels that some Members seem to be more hypocritical than others when posing questions to him. Does he not agree that the proposals on textiles, on steel, on minimum prices, all these are some form of subsidy in one form or other which the Community imposes for the benefit of both private and public industries and for which Mr Normanton has been calling in regard to the textile industry in this House in the past?

Mr K. B. Andersen. — (DK) — Earlier today — I think it was about three-quarters of an hour ago — I indicated that it was the unanimous opinion of the Council that aid provisions were necessary in these sectors, on condition that a structural reorganization should take place simultaneously in order to make the enterprises concerned competitive. The essential point here is that these should be Community provisions, and not national aids, which we hope will prove to be compatible with the Treaty. We do not know whether this is so for we have not yet seen the Commission document. But we hope so.

Mr Edwards. — Does the President-in-Office not agree that more than half of the income of the

Community goes to agriculture, which is essentially privately owned? In no country, so far as I am aware, is it a public monopoly.

(Scattered applause from the left)

Mr K. B. Andersen. — (DK) I did not ask for this question to be put but if I were to ask for a question to be put to me it would be this question. Clearly, if we are going to make such efforts to get a grip on aid in the industrial sector, the country I represent would also very much like to see something done about a whole range of artificial arrangements in the agricultural sector which distort competition. We have opposed and will continue to oppose the monetary compensation amounts. I am not going to tell any tales out of school, but there are countries which are rather keener to see the competition in the industrial sector than in the agricultural sector. Since as I speak my fellow ministers are sitting discussing these problems not far from here I shall not make their difficulties any greater by putting any more warmth in my answer to the honourable Member.

Mrs Kellett-Bowman. — Is the Minister aware that there is no subsidy to the textile industry, there is merely assistance with jobs while restructuring takes place? That is a very different matter from some of the nationalized industries, which are very heavily subsidized!

President. — Since its author is absent *Quésition* No 34 by Mr Hamilton will receive a written reply.¹

I call Question No 35 by Mr Stetter:

Does the Council share the Commission's view on the need to incorporate an undertaking to observe fundamental human rights in the new Convention between the EEC and the ACP countries?

Mr K. B. Andersen, President of the Council. — (DK) In its memorandum on the renegotiation of the Lomé Convention, which is due to come into force in 1980, the Commission proposed that the new Convention should include references to fundamental human rights. The Council intends in the very near future, more precisely this month or at the beginning of June, to make a thorough examination of this whole important question, and it is therefore too early to give a concrete reply. Parliament will, of course, be kept informed on progress made with this new Convention and also on this specific question. Moreover, it is of vital importance to all the countries of the European Community that the most fundamental human rights, as defined in the crucial parts of the United Nations Declaration of Human Rights, are observed. There is nothing new in that. The Commission has given expression in its proposals to the fundamental attitude of the European Community countries

¹ See Annex.

Andersen

in the matter of the observance of human rights. The question is, in what way will this attitude find expression in the new Lomé Convention, and I have proposed that we should discuss this in the informal meeting of Foreign Ministers in May, and we have told our colleagues that we should like to see it debated at the Council meeting proper in June. So today I can give you no more specific reply than this statement of principle. I cannot speak today on behalf of the Nine, since we are in the middle of our examination of this extremely complicated matter.

Mr Stetter. — (DK) I understand the President of the Council to say that the Council is further from a decision than the Commission. I deplore this hesitant and negative attitude of the Council. However, this leads me to pose a supplementary question: what does the President of the Council intend, in concrete terms to do to ensure that the Council of Ministers takes steps as soon as possible, if not immediately, to put a stop to the atrocities which are taking place in some of the developing countries associated with us in the present Lomé Convention?

Mr K. B. Andersen. — I regret that Mr Stetter has misunderstood what I said. My only consolation is that this cannot be due to the language, so that no blame can attach to Parliament's excellent interpreters. Naturally we must first have the Commission's proposal before the Council can adopt a position on it. So it is incorrect to say that we are trailing behind the Commission in this respect. We are behind in exactly the same way as Parliament is behind when it is waiting for a document on which to give an opinion. This is an entirely unreasonable imputation, which I cannot and will not accept, since it reflects a complete misunderstanding of the situation.

Mr Stetter suggested that my attitude was negative. This is entirely at variance with what I said a few moments ago. Finally Mr Stetter asks what we intend to do in concrete terms. The answer is, as I said a few moments ago, that we shall debate this matter at the first meeting at which we have an opportunity to do so. I am at a loss to understand why a problem as serious as that of human rights should be used for games of political ping-pong instead of there being a genuine common effort to discuss this problem seriously.

Mr Fletcher-Cooke. — Is the President-in-Office aware that when we put this question to the Commission at the last part-session, it was suggested in answer that it might be rather awkward for Member States of the EEC, who did not always themselves observe basic human rights? Will he take it, as I am sure he will, that we have perfectly good machinery, both within our own countries and in Europe as a whole, for dealing with any such infractions, and could he assure us that, in the discussions in depth which the Council is going to hold in June, any such abject considerations will be totally ignored?

Mr K. B. Andersen. — (DK) The debate will naturally be entirely businesslike in character. Obviously, however, I have no idea what my eight colleagues will want to say. There is one thing which I feel should be remembered: the Lomé Convention is not simply a gift which we donate to the developing countries, whereby we as donors — and I did not say all honourable donors — can insist on this or that. It is an agreement between two groups of countries for their mutual advantage, and we may have views of our own but so does the other side. This is the situation in our negotiations. However, as I said, I shall be able to give you more information about these matters at the June part-session following the discussions in the Council, if I am given an opportunity to do so via a question or in some other way.

Mr Walker-Smith. — Mr President, would the President-in-Office of the Council address himself to the relationship between the Community's approach in this matter and the approach of our friends in the United States of America? Would he agree that the Community should not be less vigilant in the defence of human rights than the United States, where the Aid Bill, as presented to Congress, provides for the exclusion of receipt of aid by those countries which are in flagrant violation of fundamental rights? Would he further say what studies are in progress or are envisaged to examine American experience in seeking to channel aid directly to the people of the countries in such circumstances, since, although this method may well be desirable in principle, it may be difficult in practice to channel aid directly to people who have the misfortune to live under tyrannical governments who are violating human rights?

Mr K. B. Andersen. — (DK) Human rights are not something invented by any contemporary President. There is a long European tradition of human rights, a long European tradition found in all nine Member States, and I think we must avoid giving an impression that it is a new concept invented by our good friends on the other side of the Atlantic. We are at least as wide awake on the matter of human rights as anyone else. Certainly we shall also take account of American experience when discussing this matter in the Council, for example with a view to seeing whether we can arrive at a broad, general application of the concept of human rights, and avoid thereby an approach which might appear to be more or less selective.

Mr Mitchell. — Could the President-in-Office give us more information about this discussion to take place in June? Is the discussion about whether or not something should be written into the Agreement, or the definition of what is a fundamental human right? And is it a fact that the Commission put forward a proposal about a month ago on this very point, and is it being discussed at the moment?

Mr K. B. Andersen. — (DK) As I said a moment or two ago, the Commission has submitted a proposal. What we shall be discussing at the forthcoming meetings are the two elements mentioned by the honourable Member, that is both our own concept, our own definition and its relation to a new Lomé Convention.

Mr Aigner. — (D) Mr President, are you aware that the Lomé Convention also includes the STABEX instrument, and that this instrument entails the full sovereignty of the ACP countries in the use of the transferred funds? Is the Council therefore prepared to admit that if human rights are ever made an element in the debate they could only be guaranteed by means of a general clause in the STABEX system? Would the Council be prepared to incorporate a general clause of this kind?

Mr K. B. Andersen. — (DK) I cannot both agree with my colleagues that we shall not make public statements before we have had a joint discussion on this — and since you wish a common European approach you presumably wish us to have this discussion — and at the same time give a detailed account here of our views on Lomé II. It is too early to answer this question today, but it is obviously one which we shall include in our deliberations. I can assure you of that.

President. — We now turn to questions put to the Ministers of Foreign Affairs meeting in political cooperation.

I call Question No 39 by Mr Dankert:

The Republic of South Africa seems to be developing more and more into one of the most important producers of natural, non-enriched uranium. It is expected, for example, that the output of uranium oxide, which was still only 3 265 tonnes in 1976, will this year be 5 300 tonnes, reaching 8 500 tonnes in 1981¹

By virtue of the situation on the world market where competing countries such as Australia and Canada are applying very stringent delivery conditions and limiting uranium production, South Africa is becoming the chief supplier of uranium. The Republic of South Africa also appears to be developing into one of the major suppliers on the world coal market.

1. Are not the Foreign Ministers of the opinion that every means should be used, including economic pressure, to put an end to the policy of apartheid?
2. Do they not take the view that any kind of dependence on South Africa on the part of the Community countries in the field of energy supplies, particularly as regards deliveries of uranium and coal, must be regarded as highly undesirable?

3. Are they prepared to halt this trend towards growing dependence on South Africa for energy supplies on the part of the Community countries?

4. Are they prepared to seek alternative solutions in the longer term for replacing uranium and coal deliveries by South Africa so as to prevent what is becoming an unavoidable trend towards growing dependence on South Africa?

Mr K.B. Andersen, President-in-Office of the Foreign Ministers — (DK) This question is both extremely important and comprehensive in character, and my reply must also therefore be rather extensive. As you know, the Nine have on many occasions condemned the system of apartheid in South Africa and expressed their determination to do all in their power to promote the establishment of a non-racial regime in South Africa. Last year the Nine decided to investigate a series of measures aimed at using the combined weight of the Community to dissuade the South African Government from continuing with its policy of apartheid. In September we produced a Code of Practice, which we believe will make an important contribution to improving the living conditions of the working population and other sectors of the South African population, and we are continuing to examine other possible measures in respect of South Africa.

As you know, the Community has been trying since the 1973 energy crisis to reduce its dependence on imported energy. Up till now South Africa has only been of limited significance as a coal supplier to the Community. In 1977 coal imports from South Africa covered less than 3 % of the overall coal requirements of the Community. There is no reason to believe that the European Community will become dependent on coal imports from that country. Our imports will be provided by countries such as the USA, Canada, Australia and India.

Finally, on the question of the proportion of uranium production, South Africa's share is expected to fall substantially in the coming decades. Among the reasons for this are unexpected substantial increase in uranium production in Canada, Australia and the USA. So as regards uranium, too, we expect to be less dependent on South Africa than we are at the present time.

My conclusion is therefore that it is unlikely that the Community will become more dependent on South African imports in the future, with respect either to coal or to uranium. Much more likely is that imports of both products will represent a steadily decreasing proportion of Community imports.

Mr Dankert. — (NL) Is the President aware that some of the uranium imported from South Africa

¹ *The Economist*, 25 February, 1978, pp. 79, 80 and 83.

Dankert

comes from Namibia? Does he not consider that special conditions should apply to uranium originating in Namibia?

Mr K.B. Andersen. — (DK) No Security Council resolution has been adopted which would allow this to be of general application, but at any rate the problem raised by the honourable Member will be taken into consideration in our current examination of possible economic and non-economic measures *vis-à-vis* South Africa.

Mrs Dunwoody. — Would the President-in-Office not consider that this attitude may be a little sanguine in view of the expressed attitude both of the Canadian Government and of the Australian Government, towards the provision of uranium for the EEC, and would he further state very plainly that the Nine countries do not in any way support *apartheid* in any of its more appalling forms and will do everything possible to make sure that South Africa returns to an equal rule of law?

Mr K.B. Andersen. — (DK) In reply to that last question, I feel I must point out to the honourable Members that we are a Community of nine countries, which means that all nine must agree on any steps to be taken. We cannot adopt the measures which perhaps some Member States might wish with the same ease and in the same manner as a government representing a single country. As Danish Foreign Minister I would add that I spent yesterday afternoon in a Danish parliamentary committee where we discussed measures which went considerably further than those I have referred to here. Here the question is what the Community can do and this is what we are busy examining in a special committee. But it is not enough for individual countries or individual groups in individual countries to have the right approach, if we have to speak with one voice in these matters.

Mr Fuchs. — (D) Mr President, would you agree with me that the Member States and the Community as a whole must use every available source of supply of uranium, and thereby reduce as far as possible our dependence in respect of energy supplies by maximum diversification?

Mr K.B. Andersen. — (DK) Yes, I would agree with that.

Mr Normanton. — Arising from the reply given by the President-in-Office that Europe may well be reducing its dependence on uranium coming from South Africa, would he not agree that this will increase still further Europe's dependence upon uranium and enriched uranium coming from another part of the world — namely, the Soviet Union? Is he really prepared to say that respect for human rights in the Soviet Union is in any way distinguishable or different in character from that which operates in

South Africa? They are both completely abhorrent to this House and we should be consistent in making evaluations accordingly.

Mr K.B. Andersen. — (DK) This question should really not be put to me, as I did not mention the Soviet Union. I mentioned the USA, Australia, Canada and India.

President. — I call Question No 40 by Mr Osborn.

What discussions have the Foreign Ministers of Member States had with the South African Government, and neighbouring ACP countries, about the impact of the Code of Practice on productivity as well as wage levels, and the consequential impact on employment in South Africa?

Mr K.B. Andersen, President-in-Office of the Foreign Ministers. — (DK) Mr President, I assume the question relates to the Code of Conduct which I mentioned a few moments ago, and which we adopted in September 1977 for those enterprises in the Nine which operate in South Africa. In reply to Mr Osborn's question I can tell him that the adoption of this code was not discussed with the South African Government or with the Member States of the Lomé Convention.

Mr Osborn. — Employment of Africans in South Africa is all-important, and South African industrial leaders have been concerned that not only the conditions of the British White Paper, which is operated by British firms in South Africa, but the Community Code of Practice, whilst accelerating pressures for equal work for equal pay, is also one more pressure increasing the unemployment element. As it is equally undesirable to have unemployment in Soweto and Sharpeville as in Botswana, Lesotho, Swaziland and neighbouring countries, is it not time that these matters were discussed with neighbouring governments and South Africa in particular?

Mr K.B. Andersen. — (DK) The nine governments agreed that we did not wish to discuss this matter with South Africa.

Mr Patijn. — (NL) Can the President inform Parliament as to how the Code of Practice is being applied by the nine Member States? I know that, for instance, the Netherlands Association of Enterprises is prepared to observe this code. Will he promise to provide Parliament with a survey of this kind?

Mr K.B. Andersen. — (DK) When we adopted this code, we agreed that it would be monitored on the basis of reports from all nine countries. It is still so recent, having been adopted in September 1977, that we have not yet had an opportunity to study the first group of reports, but clearly we shall look very closely at how this code is operating in practice.

Mrs Dunwoody. — Is the President-in-Office aware that we should be following very closely in this Parliament whether or not the firms concerned are complying with the Code of Conduct, and is he further aware that the agreements put forward by Mr Osborn against these minimum standards are the arguments that we used in Great Britain a hundred years ago to keep children employed in the mines?

Mr K.B. Andersen. — (DK) It is of course entirely in our interests that Parliament should follow this very closely. None of the nine countries has any interest in adopting measures which are not implemented in practice. It can only help South Africa if the Nine adopt measures which cannot be put into effect. It is, therefore, in our own interest to follow closely how this code is observed, and we shall do so.

Mr Fellermaier. — (D) Mr President, are you aware that in answer to a direct question at the meeting of the Joint Committee in Lesotho a few months ago the President of the Development Council committed the Council of the European Communities to informing the European Parliament about the implementation of the code of conduct? Are you willing to confirm today that the statement of the President of the Development Council is to be understood as meaning that the Council of the European Communities will deliver this report in this House at the end of the first year of application of the code?

Mr K.B. Andersen. — (DK) Yes.

President. — Question No 41 by Mr Bordu has been withdrawn by its author.

Since they deal with related subjects I shall call Question No 42 by Mr Broeks:

Statements made on terrorism have not clearly brought out the fact that neither political nor ordinary criminal terrorism is possible without arms. Yet in a number of Community countries arms are freely offered for sale and can therefore be easily be smuggled into other Community countries where this is not the case.

Do the Foreign Ministers agree that one of the first steps to be taken in the fight against terrorism must be the prohibition of arms sales in all Community countries, together with tighter arms controls at its external frontiers?

and Question No 46 by Mrs Ewing:

Will the Ministers state what new proposals they have to deal with acts of terrorism in the Member Countries of the European Community?

together.

Mr K.B. Andersen, President-in-Office of the Foreign Ministers. — (DK) The Nine share the honourable Member's view that the control of arms

sales and imports in the Member States represents a very important element in the fight against terrorism. With the object of establishing a mutual exchange of information on the regulations relating to the acquisition of arms by private individuals in the Member States, the Nine are looking at these problems in the framework of the cooperation existing between the Ministers of the Interior or those Ministers with appropriate responsibilities. This cooperation is based on a Decision of the European Council taken in December 1975.

Mr Broeks. — (NL) I should like to ask Mr Andersen whether there are any proposals on the table to prohibit these uncontrolled arms sales, or have no proposals been made to this end by the Council or the Commission?

Mr K.B. Andersen. — (DK) No proposal has emerged as yet.

Mr Dalyell. — As it translated, the President said that we should be better informed about arms-buying by individuals as a Community. Now in practice, what does this mean? That there should be some kind of computer register of arms-buying? Could he explain precisely what he meant by that?

Mr K.B. Andersen. — (DK) I shall be able to answer that once the Ministers have completed their work, but not while the work is still going on.

Mrs Ewing. — As bands of terrorists are ranging and training with arms across borders, would the Council think it appropriate, instead of dealing with the matter *ad hoc*, after the event, to set up some kind of permanent full-time working-force, a pool, if you like, of the best experts from all the Member States, in the hope that we might see in this important field some crime prevention?

Mr K. B. Andersen. — (DK) We already have such a group dealing with the matters mentioned by Mrs Ewing.

President. — I call Question No 43 by Lord Reay:

What consultations have the Foreign Ministers had with the USA and the Organization for African Unity as regards Soviet intervention in the Horn of Africa, particularly in Ethiopia and Somalia; and what were the results?

Mr K.B. Andersen, President-in-Office of the Foreign Ministers. — (DK) In the context of European political cooperation the Foreign Ministers of the nine Member States have followed the developments in the Horn of Africa very closely, not least because of the foreign intervention in the conflict. The views expressed by the United States and by the

Andersen

Organization for African Unity, the OAU, were important elements in the debates on this problem. At the meeting of Foreign Ministers in Copenhagen in February the Nine expressed their view that the situation in the Horn of Africa was giving rise to considerable concern, particularly in view of the foreign troops present there. The Foreign Ministers therefore agreed that efforts must be made to achieve truly African solutions to this problem, that the Nine would give their full support to the endeavours of the Organization of African Unity to arrive at a negotiated solution, possibly with UN support, particularly from the Security Council of the UN, and that no permanent solution could be achieved by the use of armed force, but only by means of negotiations. I would add that by way of follow-up the European Council meeting in Copenhagen a month ago expressed the support of the Nine for the efforts at mediation of the Organization for African Unity.

Lord Reay. — Does the President-in-Office not agree that the situation in the Horn of Africa is so dangerous to the security of the West that it is of paramount importance for the countries of Western Europe to maintain the closest contact with the United States? In this connection, could he say whether the Foreign Ministers were informed in advance of what President Carter said in his speech in Lagos? Further to that, can he state whether, among the various considerations which he has described the Council as entertaining on this matter, they have considered themselves taking an initiative — for example, raising the matter themselves in the United Nations with a proposal that there might be a United Nations force in the Horn of Africa with the backing of the Nine?

Mr K. B. Andersen. — (DK) Obviously the USA is amongst those with whom the Nine maintain contact in a matter like this, as part of the ongoing consultations we have with that country, and we were also therefore aware of what President Carter said in Lagos. At this very delicate juncture, when there are perhaps grounds for moderate optimism about developments, I should prefer not to give any further details about the political discussions among the Nine.

Mr Spicer. — The President-in-Office is always making quite clear to us his great concern for human rights, and he must be aware that the situation in the Horn of Africa is not just a power-struggle between the two major great powers, for human rights are very much at risk there. Is he aware of the fact that we are seeing in the Horn of Africa the very worst form of *apartheid*, and the policies being carried out by the Ethiopians, with the support of Cuban troops, against the indigenous Somali population amount to *apartheid* and genocide combined. Is it sufficient for the Council of Ministers, as he has put it this after-

noon, to 'follow events closely', or to 'express great concern'? Should we not as a Community express ourselves more forcibly in a case like this, where the lives of hundreds of thousands of people are at stake?

(Applause from certain quarters on the right)

Mr K. B. Andersen. — (DK) I have no further comment to make. If we could solve the world's problems by using strong language they would probably all have been solved by now. I do not believe it's as easy as that in any Parliament, certainly not in this one.

Mr L'Estrange. — Is the President aware that while he has said that the foreign ministers are following closely events in Africa, the Russians and the Cubans seem to be winning the race, and is he further really aware of the degree of Soviet and Cuban military activity in the Horn of Africa and the amount of money and arms being poured into other parts of Africa to bring down certain governments? Is he aware that it is reckoned that there are at least 40 000—50 000 foreign troops in Africa, not there to get the sun, but because the continent itself is too valuable a booty for them to miss? And would he not agree that Africa should be left alone to solve its own problems, if we do not want to see a second rape of Africa or, perhaps, another world war? Does he think it will help if the EEC and their foreign ministers stand idly by?

Mr K. B. Andersen. — (DK) In his question the honourable Member offered no proposals as to what we should do, and I think there were good reasons for this. Obviously we are fully aware of the questions raised by the honourable Member about foreign troops, just as we are aware of foreign troops from other countries, just as we are aware of troops from other African countries when they cross national frontiers. One should not forget that the present situation in the Horn of Africa started with the Somali attack. Fortunately attack now look as if the situation is being brought under control.

Mr Petersen. — (DK) Since the President of the Conference is being asked so often what he is aware of, I should like to ask him — and I think it would be a good thing if some of the other questioners were to hear this — whether he is aware that one Member State of the Community has troops in two African countries and is involved in the fighting in two African countries, and that these troops were invited by these countries in the same way as other troops were invited by other countries. There is thus a Community country namely France, which has troops taking part in the conflicts in two countries in Africa. Does the President of the Conference of Foreign Ministers not think that it would be a good thing if all foreign troops were to leave Africa?

Mr K. B. Andersen. — (DK) I already answered this question — whether I would consider it a good thing if all foreign troops were to leave Africa — quite clearly a few moments ago. This applies to the troops of whatever group, and also to troops invited by governments, as mentioned for example by Mr Gert Petersen, and those like the Cuban troops invited by the government in Angola. This applies to all groups.

President. — I call Question No 44 by Mr Jakobsen :

Particularly in the light of what has happened in Angola, can the Foreign Ministers state whether their rejection of the Salisbury agreement as being insufficient to ensure the democratic development of Rhodesia is based solely on the fact that certain independence movements have refused to be a party to the agreement ?

Mr K. B. Andersen, President-in-Office of the Foreign Ministers. — (DK) As you know, the nine countries have consistently supported the right of the people of Zimbabwe to self-determination and independence on the basis of a peaceful transition to majority rule. On several occasions the Nine have stated that they consider the Anglo-American proposal to be the best available basis for an internationally acceptable solution. All nine governments consider that by comparison with this proposal the so-called 'internal solution' is inadequate and defective — I use these two terms since these are the terms the nine governments used earlier — in various respects. The continuing efforts by the United Kingdom and the USA to bring the parties involved together are supported by the Nine. It is by this route that we hope to ensure a peaceful development in Zimbabwe.

Mr Jakobsen. — (DK) Following that reply, I think the only thing I can thank the President of the Conference for is that, in contrast to other occasions he has this time not added an element of personal effrontery to his answer. At least I thank him for that. But for the rest I find little to congratulate him on in his reply. But this is not surprising. Would Mr Andersen not admit that his colleagues have somewhere an uneasy feeling that a situation could now develop very easily in Africa which would resemble not the Vietnam war but the aftermath of the Vietnam war ? I ask this question because I had occasion once in the Danish Parliament to comment — and there were few members there who accepted this — that once the Europeans had succeeded in persuading the USA to withdraw from Vietnam it might look as if the war was over, but that one should only wait a couple of years. Then we would see what monstrous results would follow. I am coming to my question now, Mr President. But I should like to have a little time to

formulate it so that Mr Andersen understands it correctly. Does the President of the Conference not consider that a similar development is to be feared here, and what measures does he think it will be possible to take to protect a small minority of whites and a large minority of blacks whose lives are probably at stake — I am thinking here of those who go along with the present agreement — when the day comes that the efforts to bring the various rebel leaders to power succeed ? Did the President not take these considerations into account when he replied so categorically that that was a better solution than could be obtained elsewhere ?

Mr K.B. Andersen. — (DK) Occasionally problems come up in this Parliament on which Europe can speak with a single voice. Mr Jakobsen made the same comments in Denmark. I can only reply that the answer I already gave was that given unanimously by all nine governments at the recent summit conference in Copenhagen.

Mr Spicer. — The President-in-Office may well be aware of the speech made the other day by Mr Mugabe, who said that his aim and purpose was to establish a single-party state. How does the President-in-Office square that with his own interpretation of democracy for the people of Zimbabwe ?

Mr K.B. Andersen. — (DK) No comment.

(Cries of 'Libel!', 'Scandal!', 'Answer!' from the European Conservative Group)

Sir Derek Walker-Smith. — The President-in-Office said that the internal agreement was insufficient. Since the Anglo-American proposals differ from the internal agreement only in two points of substance — namely, the presence of a resident British Commissioner and a United Nations force to supervise the elections — would the President be good enough to explain why, if it be possible — as it appears to be — to hold free and democratic elections without those elements, it is necessary to insist on those extra elements instead of proceeding with the elections in that way ?

Mr K.B. Andersen. — (DK) I find it rather startling that I should be criticized for repeating what is the unanimous standpoint of the nine governments. I thank you for the invitation to violate the common standpoint of the nine governments, but I have no intention of accepting it.

President. The second part of Question Time is closed.¹

¹ See Annex.

10. Votes

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

I put to the vote the motion for a resolution contained in the *Noè report (Doc. 49/78): Efficient air traffic control.*

The resolution is adopted.¹

We shall now consider the *McDonald report (Doc. 47/78): Shipping.*

We must first consider the amendments tabled to the proposal for a regulation.

On Article 2, I have Amendment No 1 tabled by Mr Stetter on behalf of the Committee on Economic and Monetary Affairs :

This article to read as follows :

'2. For the purpose of the Code of Conduct a "national shipping line" shall be regarded as including any shipping line established in accordance with a Member State's legislation and whose port of registration, head office or principal place of business is situated within the Community, with regard to every liner conference which is entered into in one or more Member State's trade with third countries.'

What is Mr McDonald's position ?

Mr McDonald, rapporteur. — Mr President, my view on this amendment is against, as it was in the Committee on Regional Policy, Regional Planning and Transport.

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

On Article 3 (2), I have Amendment No 2 tabled by Mr Stetter on behalf of the Committee on Economic and Monetary Affairs :

This paragraph to read as follows :

'2. The cargo shall be distributed by agreement between the shipping lines concerned. The share allocated to each shipping line shall be determined by the application of commercial principles.'

What is Mr McDonald's position ?

Mr McDonald, rapporteur. — Mr President, I am against this amendment as well.

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

On Article 6 (1), I have Amendment No 3/rev. tabled by Mr Fuchs on behalf of the Christian-Democratic Group (EPP Group) :

The second sentence of this paragraph to read as follows :

'If, however, one or more Member States of the Organization for Economic Cooperation and Development are not

willing to participate in such an agreement, the Council shall decide, *acting by a qualified majority* on a proposal from the Commission, whether the Member States shall ratify or accede to the Code of Conduct and the period within which this should take place.'

What is Mr McDonald's position ?

Mr McDonald, rapporteur. — Mr President, this amendment seeks to restore the original Commission text, and I have no objection to it.

President. — I put Amendment No 3/rev. to the vote.

Amendment No 3/rev. is adopted.

I can now put the motion for a resolution to the vote.

The resolution is adopted.¹

We shall now consider the *Nyborg motion for a resolution (Doc. 81/78): Shipping.*

I put the first indent of the preamble to the vote.

The first indent of the preamble is adopted.

After the first indent, I have Amendment No 1 tabled by Mr Nyborg on behalf of the Committee on Regional Policy, Regional Planning and Transport :

After the first indent, add the following new indent :

'— having been consulted by the Council (Doc. 110/78);'

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put the second indent of the preamble to the vote.

The second indent of the preamble is adopted.

On the last indent, I have Amendment No 3 tabled by Mr Nyborg on behalf of the Committee on Regional Policy, Regional Planning and Transport and seeking to delete this indent.

I put Amendment No 3 to the vote.

Amendment No 3 is adopted.

I put paragraph 1 to the vote.

Paragraph 1 is adopted.

After paragraph 1, I have Amendment No 2 tabled by Mr Nyborg on behalf of the Committee on Regional Policy, Regional Planning and Transport :

After paragraph 1, add the following new paragraph :

'1a. Approves the Commission's proposal;'

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

¹ OJ C 131 of 5. 6. 1978.

¹ OJ C 131 of 5. 6. 1978.

President

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

The resolution is adopted.¹

We shall now consider the *Guerlin report (Doc. 82/78): Directive on home study courses.*

I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

After paragraph 1, I have Amendment No 1 tabled by Mr Meintz on behalf of the Committee on Social Affairs, Employment and Education :

After paragraph 1, add the following new paragraph :

'1a. However, in view of the important role played in education generally by home study, regrets that the proposal for a directive is chiefly concerned with consumer protection, whereas there should also be action at Community level on the purely educational aspects of the matter ; considers that Article 57, 117 and 128 of the EEC Treaty should therefore also be taken as the legal basis for the proposed directive and not merely Article 100, which covers only the commercial aspect ;'

What is Mr Guerlin's position ?

Mr Guerlin, rapporteur. — (F) While I understand — all the more so since I am an ex-teacher — the misgivings expressed by Mr Meintz, I think that his amendment has no place in this directive, the main object of which is to protect the consumer against abuses and the risks of exploitation.

The European Parliament and the Commission will have to deal at a later stage with the problems raised by Mr Meintz, but this directive should be accepted as it stands.

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

I put paragraphs 2 and 3 to the vote.

Paragraphs 2 and 3 are adopted.

After paragraph 3, I have Amendment No 2 tabled by Mr Meintz on behalf of the Committee on Social Affairs, Employment and Education :

After paragraph 3, add the following new paragraph :

'3a. Believes, however, that, in view of the fact that private enterprise has played a major role in the home study sector and indeed was its initiator, the introduction of such a system should not be interpreted as a wish to have the State take over the establishments active in this sector, but as a desire to protect those taking part in home study by allowing only authorized establishments to operate in this field.'

What is Mr Guerlin's position ?

Mr Guerlin, rapporteur. — (F) My position is the same as a moment ago : the misgivings expressed by Mr Meintz and his committee strike me as being in perfectly good faith, but the directive amended by the Commission seems to me to cover the problem.

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

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

After paragraph 4, I have Amendment No 3 tabled by Mr Meintz on behalf of the Committee on Social Affairs, Employment and Education :

After paragraph 4, add the following new paragraph :

'4a. Regrets that the Commission did not adopt the idea of a certificate of quality,¹ which would have given the consumer a separate indication of the value of each course ;'

What is Mr Guerlin's position ?

Mr Guerlin, rapporteur. — (F) Seeing that we have obtained the agreement not only of the Committee on the Environment, Public Health and Consumer Protection but also of the Legal Affairs Committee and the Committee on Social Affairs, Employment and Education, I am somewhat surprised at these amendments. Even though they may be perfectly acceptable in spirit, I find that, in wording, they are outside the scope of the directive before us.

President. — I put Amendment No 3 to the vote. Amendment No 3 is adopted.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

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

The resolution is adopted.¹

We shall now consider the *Power report (Doc. 87/78): Regulations on social security schemes for self-employed persons.*

I call Mrs Kellett-Bowman on a point of order.

Mrs Kellett-Bowman. — (F) I was going to ask if we might have a separate vote on paragraph 4, please.

President. — We shall do as you wish when the times comes, Mrs Kellett-Bowman.

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1, I have Amendment No 4 tabled by Mrs Kellett-Bowman :

This paragraph to read as follows :

'1. Welcomes the Commission's proposals, but considers them an insignificant step towards the application of social security schemes to all categories of persons moving within the Community ;'

What is Mr Power's position ?

¹ OJ C 131 of 5. 6. 1978.

¹ OJ C 131 of 5. 6. 1978.

Mr Power, rapporteur. — Mr President, while the committee has every sympathy with the feelings of Mrs Kellett-Bowman and feels that we have covered them later on in the report, we must ask for a vote against it, as we feel that it is a significant step.

President. — I put Amendment No 4 to the vote. Amendment No 4 is rejected.

I put paragraph 1 to the vote.

Paragraph 1 is adopted.

I put paragraphs 2 and 3 to the vote.

Paragraphs 2 and 3 are adopted.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

I call Mr Albers on a point of order.

Mr Albers. — (NL) As I already explained yesterday, I think it is preferable for my Amendment No 3 to apply to paragraph 5. The document states that this is an amendment to paragraph 9, but I explained why it is better to apply it to paragraph 5. I should therefore like to ask you to put my amendment to the vote as applying to paragraph 5.

President. — Are there any objections to this change?

That is agreed.

One paragraph 5, I therefore have amendment No 3 tabled by Mr Albers:

This paragraph to read as follows:

'5. Considers that the special system applied in Denmark with regard to unemployment benefits for self-employed persons should be looked into more closely with a view to introducing a similar system in the other Member States, thereby extending Articles 69, 70 and 71 of Regulation No 1408/71 to cover self-employed persons';

What is Mr Power's position?

Mr Ower, rapporteur. — Mr President, we discussed this last night at a late hour, and while I should be prepared to accept it as an addition to paragraph 5, I do not think Mr Albers will agree to that. He wants his paragraph to replace the existing one. The Commissioner gave us his feelings on it. He said he would examine the situation in Denmark, together with other countries, and it is our feeling that we not want to adhere to any particular system. We will examine the systems in all member countries before we reach a decision, and I have to ask you to vote against it.

President. — Mr Albers, the rapporteur feels able to accept your amendment as an addition to paragraph 5, but not as a replacement for it. What is your view?

Mr Albers. — (NL) Mr President, in my view — and this point will be raised again shortly with regard to a subsequent paragraph — since this paragraph refers to a special system, it is preferable to make that special system clear. It is therefore essential for the text of paragraph 5 to be replaced by my amendment.

President. — I put Mr Alber's Amendment No 3 to the vote, it being understood that this new text, if adopted, will replace paragraph 5.

Amendment No 3 is rejected.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

On paragraph 6, I have Amendment No 1 tabled by Mr Albers:

This paragraph to read as follows:

'6. Urges the Commission to do everything in its power to put an end as soon as possible to the divergent system applied in France with regard to family allowances for employed and self-employed persons from other Member States';

What is Mr Power's position?

Mr Power, rapporteur. — Mr President, I feel I must be consistent here and follow the same line as the last time. The committee feels that they covered this point adequately, and I must ask you to vote against this.

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

Amendment No 1 is adopted.

I put paragraph 7 to the vote.

Paragraph 7 is adopted.

On paragraph 8, I have Amendment No 2 tabled by Mr Albers:

This paragraph to read as follows:

'8. Calls on the Commission to work out a Community directive defining the term 'invalidity' in view of the fact that both the existing regulation on migrant workers and the present proposal for a regulation on self-employed persons refer to the laws of the individual Member States and this is detrimental to these categories of persons because of the different criteria applied in the different laws';

What is Mr Power's position?

Mr Power, rapporteur. — The Commission feels that a directive is feasible rather than a definition. I am happy to say that we can accept this amendment.

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

Amendment No 2 is adopted.

I put paragraph 9 to the vote.

Paragraph 9 is adopted.

We shall now consider paragraph 10.

I call Mr Power.

Mr Power, rapporteur. — Might I ask your indulgence for a moment, Mr President? It was only at a very late hour last night that we discussed this. This particular paragraph was inserted at the request of the Secretariat of the Council. There is some doubt now, for legal reasons and others, as to whether it should be there, and the Commissioner did feel that he would be in a position to make new proposals to deal with the matters that we have covered in this. If the chair will agree, we would ask to have this paragraph deleted now.

President. — Are there any objections to a vote on this oral amendment?

That is agreed.

I put to the vote this amendment seeking to delete paragraph 10.

The amendment is adopted.

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

The resolution is adopted.¹

We shall now consider the *Ligios motion for a resolution (Doc. 105/78): Regulations on the wine market.*

I call Mr Martinelli.

Mr Martinelli. — (I) On behalf of the Christian-Democratic Group (EPP Group), I announce that we wish to withdraw the motion for a resolution on wine tabled by Mr Ligios on behalf of the group and I should like briefly to explain the reasons. It was decided in the debate yesterday evening to do what the authors had had in mind with their resolution, namely to make Parliament's voice heard while the Council of Ministers is engaged in a debate — by all accounts a lively one — on this subject. Furthermore, the document which we presented enabled the Commission, through the statement by Commissioner Davignon — whom I thank warmly — to inform the European Parliament of the improved plans concerning the problems of the wine sector. Commissioner Davignon stated that the Commission would present the proposals to Parliament in a document amending the original proposals, and which could be debated thoroughly by the competent parliamentary bodies, including the Committee on Agriculture. Commissioner Davignon also stated that the new proposals were designed to take account of the misgivings expressed in this House and therefore, on the one hand, to make the originally planned system of minimum prices and freezing of the market more flexible, and, on the other hand, not to increase delay the necessary structural measures, which are in fact the only means of solving the current problems in the wine sector.

For all these reasons the Christian-Democratic Group withdraws the motion for a resolution which was presented to the House yesterday evening.

President. — This motion for a resolution is thus withdrawn.

We shall now deal with the *Radoux report (Doc. 76/78): Outcome of the Belgrade meeting (CSCE).*

I call Mr Radoux on a point of order.

Mr Radoux, rapporteur. — (F) Mr President, this morning Mr Davignon asked for a slight amendment — to which I agree — to be made to the last indent: the words *assisted by* to be replaced by the word *and*.

President. — Are there any objections to a vote on this oral amendment?

That is agreed.

I therefore put the preamble, with this amended wording, to the vote.

The preamble thus amended is adopted.

On paragraph 1, I have Amendment No 1 tabled by Mr Bettiza on behalf of the Liberal and Democratic Group and seeking to replace *a wide-ranging and frank* by *an*.

What is Mr Radoux's position?

Mr Radoux, rapporteur. — (F) Mr President, the adjectives *wide-ranging and frank* seemed to be justified. In fact, I would not have put *wide-ranging* if the exchange of views had not lasted six months. Secondly, I would not have put *frank* if there had not been disagreements between the participating Members.

I therefore ask the House not to adopt this amendment.

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

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

Amendment No 1 is rejected.

I put paragraph 1 to the vote.

Paragraph 1 is adopted.

On paragraph 2, I have amendment No 6 tabled by Mr Bettiza and Mr Lücker:

Add the following text to this paragraph:

'despite the very limited results achieved';

What is Mr Radoux's position?

Mr Radoux, rapporteur. — (F) I agree, Mr President.

President. — I put Amendment No 6 to the vote. Amendment No 6 is adopted.

¹ OJ C 131 of 5. 6. 1978.

President

I put paragraph 2 thus amended to the vote.

Paragraph 2 thus amended is adopted.

On paragraph 3, I have Amendment No 3 tabled by Mr Bettiza on behalf of the Liberal and Democratic Group :

After 'Final Act' insert 'of Helsinki'.

What is Mr Radoux's position ?

Mr Radoux, rapporteur. — (F) I agree, Mr President.

President. — I put Amendment No 3 to the vote.

Amendment No 3 is adopted.

I put paragraph 3 thus amended to the vote.

Paragraph 3 thus amended is adopted.

I put paragraphs 4 to 11 to the vote.

Paragraphs 4 to 11 are adopted.

After paragraph 11, I have Amendment No 5 tabled by Mr Bettiza and Mr Lücker :

After paragraph 11, add the following new paragraph :

'11a. emphasizes the competence of the European Community as regards the economic dialogue — basket 2 of the Helsinki Conference — and as regards future conferences, irrespective of its competence in direct negotiations with the Comecon countries'.

What is Mr Radoux's position ?

Mr Radoux, rapporteur. — (F) I agree, Mr President.

President. — I put Amendment No 5 to the vote.

Amendment No 5 is adopted.

I put paragraphs 12 to 14 to the vote.

Paragraphs 12 to 14 are adopted.

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

The resolution is adopted.¹

11. *Elections to the European Parliament by direct universal suffrage (continued)*

President. — The next item is the continuation of the debate on the Patijn report (Doc. 65/78).

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

Mr Leonardi. (I) Mr President, we agree with the motion for a resolution tabled by Mr Patijn : as a party, we have always done everything in our power to speed up the ratification procedure. The only remark which I should like to make is that in paragraph 1 Mr Patijn welcomes the decision taken by the States to

'hold the elections to the European Parliament by direct universal suffrage in the period between 7 and 10 June 1979', while we, on the contrary, would like to express our regret that we did not keep to the original date, i.e. that the elections did not take place at the time originally planned. We believe that, if our country were today in the midst of elections to the European Parliament, this would be of considerable help in overcoming the difficulties besetting it.

Having said this, we confirm our support for the motion for a resolution by Mr Patijn.

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

Mr Bangemann. — (D) The rapporteur agrees, and I hope that now that the last problems concerning ratification have apparently been overcome in Britain, the still outstanding ratification documents will be submitted as soon as possible so that the decision of the European Council in Copenhagen can now acquire binding legal force.

I should like to say on behalf of my group that now that the date has been set we shall do all we can — and I hope that Parliament as a whole will support these efforts — to strengthen Parliament's position among the Community institutions. It is certainly true that there will be no direct extension of Parliament's powers as a result of direct election, but naturally the support given by the peoples of Europe to this institution will develop its own political weight, and we hope that the turn-out in these elections will be sufficient to justify this hope. We congratulate the rapporteur and assume that the Commission will, if necessary, make an effort to obtain the outstanding ratification documents.

President. — I call Mr Andersen.

Mr K. B. Andersen, President-in-Office of the Council. — (DK) I have asked to speak merely to answer the direct question which Mr Patijn asked me this morning. We have discussed direct elections so many times in recent months that I do not wish to take up Parliament's time again at this late stage in the afternoon. But Mr Patijn asked this morning whether I could give a promise or undertaking that before the summer recess we would hold in this House the consultation to which Parliament is entitled, and the only answer to that is that I cannot give such an undertaking. It depends on when the ratification procedures are completed. I think it will be difficult to carry it out before the summer recess, but that depends on the ratifications. As soon as ratification is completed, we shall move on to other stages, including discussions in this Parliament. That is the only answer which I can give at the moment.

¹ OJ C 131 of 5. 6. 1978.

IN THE CHAIR : MR MEINTZ

Vice-President

President. — I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Mr President, I will certainly follow with pleasure the example of brevity which has been set by all the participants in this debate.

President Andersen is, of course, right in saying that it is not possible at present for him to give an undertaking about the completion of the procedures in July. But I am sure that he will agree with me that it would now be highly desirable if we could complete them that is to say, if we could arrange for the Parliament to be consulted, as is its right, in the July part-session and were then able, as, as it were, a completion of our summer's work, which at last is going well in this field, to do the formal act of the Council in the meeting of, I think, about 23 and 24 July. Let us most firmly aim at that and hope that it may be possible. He is quite right in saying it cannot be certain, but let us try and make it possible if we can.

Now, Mr Patijn in his speech this morning — and I would, if I may, in what may be one of our final debates before we have completed the process of endorsing the date for direct elections, like to pay tribute to the notable part which he has played throughout in pushing us forward in this direction — raised a number of issues, not least the question of how we were going to get the electors to the polls. If I may say so, I agreed with him very strongly in his analysis of what is most important here. Now, of course, a good information effort, in which the Commission and the Parliament will, I hope, cooperate very closely, can be of considerable importance; but it is less fundamental than what is going on the next thirteen months so far as the construction of Europe is concerned. The information effort, to which we shall certainly devote our full energies, is if I may say so, rather like the service in a restaurant: if it is badly done, it can ruin a good meal; but however well it is done, it cannot make an inedible meal agreeable. It is therefore the case that our information effort is no substitute for a fundamental approach to European problems such as to show that there are issues of direct relevance to the ordinary people over the next year or so.

We have a number of issues which can and should be so presented: the whole question of how we deal with monetary stability in Europe, the whole question of how we approach enlargement, the whole question of unemployment at the present time, the failure of national governments to deal with it, the need for a Community approach — there is no lack of major

issues for the Parliament and the Community to get their teeth into. But what I most fundamentally agree with Mr Patijn about is that direct elections must not be seen as a substitute for progress in substance towards an effective European Community. Direct elections are a framework which can greatly improve the effectiveness of Parliament; but as a framework it will be a deceit and a disappointment unless within that framework is put some more effective movement forward than we have seen in the past few years. We are, I believe, now in a position in which we might, if we all play it effectively and enthusiastically, get more movement forward than we have seen for four or five years past. That would buttress direct elections, but if direct elections were regarded as a substitute for fundamental progress, then, indeed, they could be a distraction so far as the central purpose of constructing Europe is concerned. That is his approach, it is mine, I believe it is the approach of this House, and I believe that this House has a great and important job to do in the remaining thirteen months to prepare Parliament for its directly-elected Members and to prepare Europe, the Commission, the Council of Ministers, for a directly-elected Parliament.

President. — I note that there are no more requests to speak. The vote on the motion for a resolution as it stands will take place tomorrow during voting time.

The debate is closed.

12. *Council of Ministers*

President. — The next item is the oral question with debate (Doc. 66/78) put by Mr Corrie, on behalf of the European Conservative Group, to the Council of the European Communities:

Subject: Council of Ministers

Against the background of many suggestions in this Parliament over the years for improved access to and knowledge of the proceedings of the Council of Ministers, will the President-in-Office state which of the following proposals the Council is willing to implement:

1. Draft and publish definitive Rules of Procedure, to replace the existing provisional and unpublished Rules.
2. Indicate against all Council items in the Official Journal those which derive from decisions which were taken as 'A' points (i.e. decisions previously agreed upon by an inter-governmental body of national civil servants in Coreper).
3. Make a monthly oral report to Parliament on conclusions reached, specifying in each case whether decisions were reached unanimously, by a majority vote, with or without abstentions.
4. Publish in the Official Journal a record of the conclusions reached by each Council meeting, including an explanation of the majority and minority view.

President

5. Introduce a distinction between legislative and non-legislative sessions of the Council, and

(a) Publish in the Official Journal the minutes of the legislative sessions

(b) Admit the public to legislative sessions.

For those proposals which the Council is unwilling to implement forthwith, will the Council say why?

I call Mr Corrie.

Mr Corrie. — Mr President-in-Office, the object of this oral question is to begin a public debate between the Parliament and Council on how we can bring greater openness and democratic control into Community procedures. Until now, it would appear the Council do not want that, though, to be fair, Britain did try to change things a little under their presidency. The Parliament is the only Community institution to meet in public. Moreover, it is the only institution to publish its minutes and the record of its debates in full in the Official Journal. But the Parliament has a pre-legislative function, giving opinions on draft legislation, and it is the Council which is the final legislative body. So we have the constitutional paradox of a legislator legislating in secret. In fact, the Council is the only legislator in the Western democracies to legislate in secret. Does it behove us to lecture the applicant countries about the importance of democracy when we tolerate a legislator which meets in secret and often leaves decisions to civil servants?

However, the Council is not only a legislative body. It also has an executive function. In a democracy we would expect an executive to be responsible to somebody, but the Council, it would appear, is responsible to nobody. Individual members of the Council are responsible to the individual national parliaments, but the Council as a whole can hardly be said to be responsible to this Parliament. I acknowledge the gradual improvement in the Council's reporting back to Parliament, but, with the greatest respect, the presence of the President-in-Office for a few hours on a Wednesday is not enough. This present question has had to be postponed a number of times because of the very few hours which the Council can give us. I would thank the President of the Council for being here today and apologize that so few Members are in fact in the House. This surely gives them ammunition for saying: 'Why bother to come at all?' But I would assure them that there are some of us who are desperately interested in the future of the EEC.

In putting this oral question with debate, we have brought together suggestions for improvement contained in just five of the many oral questions which past and present members of this group have put during Question Time during recent years, the answers to all of which can be summed up in two words: 'No, sir'. Our first suggestion for greater openness is that the Council should publish its rules of procedure. Surely the Council could publish some-

thing as innocuous as this. Furthermore, we read in the annual report of the European Council on progress towards European union:

The Council of Ministers has been made more efficient by means of procedural rules adopted at an informal meeting of the Foreign Ministers in Leeds Castle in May.

Surely this would provide an ideal opportunity to publish the new rules. We are also told in the same report that these new procedures result in strengthening the role of the intergovernmental Committee of Permanent Representatives — or Coreper, as it is better known. We need no reminding that Coreper consists of civil servants in Brussels working with civil servants in national government departments and civil servants in 72 embassies, all giving advice. The feeling is that the Council is getting so much advice from civil servants that they can hardly take any decisions at all. So what the Council appears to do is either to pass down the dossier to civil servants to decide under the A procedure, or up to the European Council to decide under goodness knows what procedure. These two bodies are even more irresponsible, if one can use that word, than the Council. In the case of Coreper, a small step in improving awareness would be to print their decisions under the A procedure in the Official Journal. I hope we shall not be told this is misleading, because we are perfectly capable of understanding the situation. I hope the Council will not underestimate the feeling in this Parliament on this matter from all parties. We have been fobbed off for long enough and would like some positive replies. This point about being able to ask in our national parliaments what went on in the Council but not being able to ask here will become crucial when we have a directly-elected Parliament, the great majority of whose Members, I am sure, will not also be members of their own national parliaments.

In our next two questions we ask for a better record of the conclusions reached by the Council, either by oral report or preferably, in the Official Journal. Too often we can only rely on the press release and on what we read in the newspapers, versions of which do not always tally. There has apparently been a slight increase in majority voting, but we should be told when it was used and what the outcome was. Majority voting has a more immediate importance to the European Parliament owing to the imminence of direct elections. At present, the decision-mountain, if one can call it that, of the Council means that much of the legislative work of Parliament and its committees in providing opinions on Commission proposals is wasted, as the Council either never considers them or fails to decide on them. What use is it for pressure-groups and outside interests to lobby European Parliament Members, or for Parliamentary committees to consult them, if Commission proposals, as amended by Parliament — and most of these amendments are accepted by the Commission — are never considered by the Council? If the practice of voting by qualified

Corrie

majority were restored, as required by the Treaties, and extended, as proposed by the Commission, the Council would be able to take decisions on many Commission proposals, thus restoring to the European Parliament its proper influence as provided for by the Treaties. Any beneficial effect which might result from direct elections on the status and influence of the Parliament will be largely stultified unless the Council returns to qualified majority voting except where essential national interests are concerned.

Our final question highlights the need to separate the legislative and non-legislative sessions of the Council, in order to assist our twin objectives of openness and greater democratic control. We do not ask that the executive sessions of Council be open to the public, but we do ask that the legislative sessions be opened up. Doubtless, the President-in-Office will refer to the highly successful legislative conciliation meeting on the Financial Regulation which took place at the end of last year between Members of the Council and a delegation from the Parliament. I am sure the very success of the meeting is an argument for the opening up of the legislative sessions.

I hope — but I am very much in doubt — that the reply to all these questions this time will be: 'Yes, sir.' But the Council are maintaining their previous unhelpful attitude towards openness and democratic control. We must also conclude that the Council are not addressing themselves to the improvements in decision-making procedures in anticipation of a directly-elected Parliament and of enlargement, when greater use of majority voting will become essential. But I hope to hear from the Council that they are going to live up to their responsibilities. I look forward to some positive replies.

President. — I call Mr Andersen.

Mr K. B. Andersen, President-in-Office of the Council. — (DK) Mr President, Mr Corrie's opening speech has placed me in a somewhat difficult position — or rather an extremely difficult position — because it was obvious that the aim of his oral question and introduction today was to achieve an improvement in our joint instrument, i.e. in European cooperation. It was undoubtedly a criticism, but a criticism of a particular procedure and a particular practice which has been in force for a long time now, and an attempt to push things in what Mr Corrie feels to be the right direction. I am therefore sorry to have to say — since I do not want to keep Mr Corrie and the other Members in suspense for too long by withholding my answer until I get to the bottom of the last page — that I am unable to give the positive reply Mr Corrie wished for. I should like to explain why it is impossible not only for me, but also for the eight other countries as well, to give such an answer.

Before dealing with the individual questions, I would point out that, in the Community decision-making process, each institution naturally acts completely in accordance with the powers and rules which derive from the Treaties. The Council's proceedings — and we must not forget that we are dealing here with the Council of Ministers, made up of representatives of the national governments — cannot be viewed in the same way as the proceedings of the national parliaments. They consist of negotiations in which, in order to reach agreement, even in the case of majority decisions the representatives of the governments of the Member States do everything possible to achieve a convergence of positions.

If Council meetings, the opinions of the Member States at the various stages, and the votes of the Member States were made public, the Member States would find it difficult — not to say impossible — to make the concessions which are necessary if results are to be achieved. As you are all aware, things are already difficult enough, and the Community is rarely criticized for going too fast — in fact, we are often, and rightly, criticized for being too slow. There is no doubt in my mind that if the degree of publicity called for here were introduced, the rate of progress would be much, much slower.

On the other hand, it is essential for democratic control that the Commission proposals and the Council's decisions be published, and this is done. To conclude these introductory remarks, therefore, I should like to say that the Council does not believe that the parliamentary working methods suggested by Mr Corrie can be applied to the negotiations between the nine governments within the Council. The Council cannot deviate from the rules governing its proceedings, which stipulate that its meetings shall not be public and that its discussions are confidential. In turning now to the specific questions, I am therefore afraid that, on the whole, my answer is rather negative.

As regards the first question on the Council's rules of procedure, the Council has not yet formally adopted its new rules of procedure following the entry into force of Article 5 of the 'Merger Treaty'. Pending the adoption of these new rules of procedure, the Council has taken a number of measures to improve its working methods. The Council has asked me to point out to the honourable Member that, in contrast to the Commission's rules of procedure, the Treaties do not provide for publication of the Council's rules of procedure.

The second question concerns publication of the Council's decisions, differentiating those adopted as 'A' items from those adopted as 'B' items. A breakdown such as that proposed by Mr Corrie would give a wrong impression. There is no generic difference between decisions adopted as 'A' items and those

Andersen

adopted as 'B' items. In the last few months in particular, following the Leeds Castle meeting, the Presidencies have made a conscious effort to have as many points as possible dealt with as 'A' items, so as to give the Council time for the genuine political discussions for which it often had too little time in the past. If I may give Mr Corrie and the other Members one example: at the last meeting of the Council, which was widely considered to have produced good results, we had a long discussion on the question of state subsidies — in other words, one of the subjects which featured so prominently in today's Question Time. We had a very long and very constructive discussion on enlargement — another question which we must have time to discuss at length, without being hampered by a whole series of discussions on details which, while important, could be dealt with as 'A' items if we are prepared to give our representatives in the Permanent Representatives Committee sufficient powers and a mandate to reach agreement at that level.

'A' items can involve major decisions. They are simply those decisions for which the preparatory work carried out by the Permanent Representatives Committee or by the Council at an earlier stage calls for no further debate within the Council. Furthermore, certain texts are adopted as 'A' items when the problems to which they relate have already been discussed by the Council and, agreement having been reached, at that level, the final texts — the formal texts — have been finalized and are then submitted for approval by the Council as 'A' items. Thus, they may well be extremely important, major problems on which what is adopted as an 'A' item is the formal, finalized text on something on which we have already agreed.

In this particular context, I should like to emphasize that all the texts are adopted by the Council. The Permanent Representatives Committee cannot adopt anything, as Mr Corrie knows full well. We can ask the Committee to do the preparatory work, and I think the procedure we have established is a good one. For the information of Mr Corrie and others, I can say that, in the latest statements I have made to the international press as usual after our meetings, I have had to draw attention to important matters which had featured as 'A' items, as it would otherwise have been assumed that they were of no great importance. All that has happened is that, following our discussions in Leeds Castle, we have agreed to try to put more matters into this category. No basic distinction can therefore be drawn between 'A' matters and 'B' matters, and they are all decided upon by the Council. By virtue of Article 4 of the Treaty establishing a single Council and a single Commission, the Permanent Representatives Committee is responsible for preparing the work of the Council and for carrying out the tasks assigned to it by the Council, but it cannot take any decisions.

The third question concerned the monthly report to Parliament on the Council's conclusions, with an indication of the voting. My reply is that the Presidency has always been and continues to be willing to come, upon request, to the European Parliament or its committees to brief them on the outcome of the Council's deliberations. Mr Corrie was so kind as to remark that I was spending many long hours here today, and I expected to be able to remain here this evening as well. I was not to know that the debate would not be as long as we expected this morning, and I shall refrain from remarking who else spends long hours in here. We are both parliamentarians, and we know how much work there is for Members to do outside the Chamber as well. As far as the Council is concerned, however, we try to come when we are asked, if this is at all feasible.

However, for the reasons given in my introduction, the Council does not consider it advisable to give details of the majority votes by which its decisions are adopted. Nor do I think this would make it easier to reach agreement. I am sure Mr Corrie would agree with me that we should not misuse the Luxembourg agreement to ask a country to use its veto on a matter which is not of vital importance, but rather that we should try to reach majority decisions on matters which cannot be considered vital to individual countries. This is the course we are trying to follow. I do not think it would make things easier if we subsequently came and reported on how the voting went. Here again, this would only make our work more difficult.

I come now to the fourth question on the publication in the Official Journal of the conclusions reached at each Council meeting, with an explanation of the majority and minority views. As Mr Corrie will appreciate, the Council does not consider it appropriate to publish a record of the conclusions of each Council meeting setting out majority and minority views. Almost all Council decisions are published in the Official Journal. Those which are not published most frequently concern negotiating mandates given to the Commission which, in view of their contents, are confidential. There are clearly many occasions when the Council has to give the Commission confidential negotiating instructions prior to international negotiations on economic questions. Moreover, the Council confidentially informs the relevant parliamentary committees of the substance of these instructions in accordance with the 'Luns-Westerterp procedures', i.e. in connection with agreements with third countries.

Finally, as regards the fifth question on public access to legislative sessions, I must say that, in view of the present structures of the Communities, it is very difficult to make a practical distinction between those activities of the Council which are strictly legislative

Andersen

and those which are not. For the reasons I explained in my introduction, the Council has never drawn such a distinction. It has therefore never considered publishing the minutes of its sessions in the Official Journal or admitting the public to these sessions. As I said initially, Mr Corrie, I was most certainly unable to give you five 'yesses' today, but I would ask Mr Corrie and those who share the views expressed in these proposals to appreciate that it is, firstly, a united Council which is giving this reply. That is one point. Secondly, I am absolutely convinced that it would not benefit our work — in which we have a common interest — if we had the publicity in the form Mr Corrie is calling for, but the proposals and the decisions must naturally be made public. Speaking as Danish Foreign Minister, I do not wish to maintain that the system we have in Denmark, with a parliamentary market committee is the be-all and end-all — that would be going too far — but I do feel that, within this committee, the members from a broad range of parties represented in the Folketing are thereby given a good opportunity of monitoring the Council's work at national level. They are kept informed weekly, give mandates before the meetings of the Council of Ministers, and receive reports after them. Naturally, there are occasions when our discussions must be confidential — when we are discussing things which cannot be discussed publicly — but I nevertheless feel that this is a good way of making it possible to follow the Council's work closely at national level. I felt my concluding remarks should be based on our own experience in Denmark, and I might add that this system has existed under different governments, i.e. independently of whoever was in power at a given moment.

President. — I call Sir Geoffrey de Freitas to speak on behalf of the Socialist Group.

Sir Geoffrey de Freitas. — I apologize to Mr Corrie for not being here at the very beginning of his speech. I was at a meeting of the bureau and I came down as soon as it was possible. I only missed a few minutes. Now I have heard a very gracious speech, as always, from the President-in-Office, but the content is very similar to what I have heard regularly over the two-and-a-half years that I have been a Member of this Parliament, and I have now made it a practice to ask every six months the question which is contained in 5b of Mr Corrie's question, asking the Council to introduce a distinction between its legislative and non-legislative sessions and to admit the public to legislative sessions. Now I have been in Parliament a very long time — not this Parliament, but the British Parliament — and I know it takes a long time to persuade successive governments to change their minds. And it takes even longer to persuade nine governments. It must be so. So I am very tolerant about this. But I still think we should be getting a little further. Mr Corrie proposes that a distinction be drawn between the legis-

lative and non-legislative sessions of the Council, that the minutes of the legislative sessions be published and the public be admitted to these sessions. I am very much in favour of this, and this has been the burden of my questions, as I have said, every six months. But in order that public legislative sessions be held, the Council has to separate the legislative business from the other business, and this is where the Council's objections begin.

I would like to pick up some of the points that the President-in-Office has made and some that have been made in answers to questions over the last two and a half years.

First the objection that the Council is a body for international negotiation and cannot admit the public for this reason. The Council takes decisions only on Community legislation. Now I understand completely, and accept it, that the Foreign Ministers meeting in political cooperation conduct inter-governmental negotiations, but surely the Council is working within the framework of the Treaties.

Another objection that the Council has is that it acts in legislative matters as a national cabinet. But in Member States — let us think of all our countries — the Cabinet decides on the main lines of a piece of legislation, which is then submitted to Parliament for discussion and amendment if necessary, but the legislation is not resubmitted to the Cabinet after Parliament has dealt with it. All I ask — I cannot put arguments into Mr Corrie's mouth — is that after this European Parliament has discussed legislation in public, the final stages of decision-making by the Council should be in public too, as in every other Parliament in our Western democracies. Another objection which is put up by the Council is that it is impossible to separate legislative Council business from non-legislative. I do not accept that. The Council already separates political cooperation matters from Community matters. If it can arrange its work to this extent, I do not understand why it cannot provide for discussions on legislation to be held at a certain point in the agenda.

Another argument raised by the Council is that its members are responsible to national parliaments. Mr Corrie dealt with this very forcibly. I think very few Members of the European Parliament. I certainly hope so — will have a dual mandate, because they have got enough work to do here, and it would certainly downgrade this Parliament if it were regarded as something that could be done as a side issue from a national parliament. It is certainly an important point that when this becomes a European Parliament directly elected, it is no answer at all to say that Members can raise arguments in their own parliaments. It is this Parliament we are talking about, and this is where the Council should feel its responsibility lies, not to national parliaments. The Council is a Community

de Freitas

institution and is responsible to the other Community institutions for its methods of work.

I make this point to the President-in-Office, who has had many years' experience as a minister and in his own Parliament. In just a year's time we are going to have direct elections. What answer will candidates be able to give when they are asked about anti-democratic methods? They will be able to say: well, it is done in secret it is true, it is the only legislative body in the whole of Western Europe which works in secret.

Now, Mr President, my time is up. I say this. My group asks for greater democratic control and openness in Community procedures, and we want to begin with the Council of Ministers when it debates as a legislature. I hope that the President-in-Office — he has 52 days to go, I think he told me yesterday at a social occasion — will devote two of them to trying to persuade his colleagues that we want to be able to listen in public to what the Council is saying on legislative matters.

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

Mr Rivierez. — (*F*) Mr President, in order to appreciate Mr Corrie's very interesting question, we must look at it in the context of relations between the Council and Parliament. Our concern is that there should be increasingly close cooperation with the Council and that Parliament should be able to carry out its supervisory function.

Some progress has been made in this respect, particularly with the Luns procedure in financial matters.

Can one take it further? Mr Corrie states that a distinction must be made in the powers of the Council and in matters submitted to it. But we have the whole Treaty to consider, and I understand why some people are surprised that an executive should have legislative powers. Studies have been carried out for some time, especially by Professor Pescatore, who has brought out very well the originality of the Community institutions. These institutions are *sui generis*, including a Council which discusses and votes on legislation without really doing so. If we accept Mr Corrie's argument, the Council would be equivalent to a parliamentary assembly passing legislation. But that is not the case. The Council is an original body, and the powers conferred on it by the Treaty have no parallels elsewhere. It resembles more the central body of a confederation or federation, than a deliberative legislative assembly.

Clearly, the members of the Council must not deliberate in the manner of a parliamentary assembly, but must seek a consensus. Consensus involves negotiation, convergence of views, participation and compromise. How could that process take place in

public, whether it is a case of discussing legislation (so-called legislative body) or simply of executive action? I find it difficult to envisage a Council deliberating in public or publishing its majority or minority opinions.

Consequently, any attempt to strengthen cooperation between the Council and Parliament deserves our approval, as does anything enabling Parliament to exercise greater control over Council decisions. But we must take a realistic view: the Council is a very original institution and above all a negotiating body, as the President-in-Office of the Council has ably demonstrated.

Our Group can agree to publication, but only if there is no mention of majority or minority opinions. Council reports to Parliament should perhaps be more substantial, and the Council could be invited to attend committee meetings more often, in order to keep them informed of its decisions and negotiations. But the rest seems impossible to me, simply because of the Treaty.

That is why any measure making possible cooperation between the Council and Parliament will receive the approval of my Group, as will any measure giving Parliament greater control over the Council. But we cannot go beyond this, because that would mean challenging the very nature of the Council of Ministers, and it would be asking for the impossible given the wording of the Treaty.

President. — I call Lord Reay.

Lord Reay. — Mr President, I would like to take up a matter different from that pursued by the last two speakers, but touched upon in the speech of Mr Corrie, and that is the question of majority voting in the Council. As I see it, there are two problems with regard to majority voting. One is the rigidity, perhaps the excessive rigidity, of the provisions of the Treaty, which spell out certain categories of decision which may be taken by qualified majority and certain others for which unanimity is required, and the second problem is the abuse of the Luxembourg compromise.

Now as regards the first problem, that presented by the Treaty, it is plain from the documents which the Commission produced on the institutional implications of enlargement, that they take the view that there should be a greater degree of flexibility introduced into the Treaty — in other words, that an amendment to the Treaty is required in certain instances. I think it would be unfair to ask the Council to react to the Commission's proposals on this point at this early stage, although it would be interesting to hear if the President-in-Office could say when the Council might be in a position to report to this House on these proposals that the Commission have made for Treaty amendment on this point.

Lord Reay

As far as the Luxembourg compromise is concerned, I have no doubt that the existence of the compromise has saved the Community in the past, and is capable of saving it in the future, perhaps from a breakup, and certainly from quarrels far more serious and bitter than those with which it has been plagued. On the other hand, there is no doubt that the Luxembourg compromise can be, and is, abused by ministers who claim that their vital national interest is at stake in a certain instance when manifestly it is not. They do so perhaps for reasons of obtaining a greater degree of domestic political leverage, or of leverage within the Council itself.

Now the President-in-Office gave a relatively optimistic description of how the procedure within the Council had been progressing recently, with his description of a greater number of questions being taken as A-points. The Commission also, in their document on the institutional implications of enlargement, make the following sentence: 'A political code of conduct has gradually emerged', that is to say, with regard to majority voting, 'and is now accepted by all the Member States'. At this point I would like to ask the President-in-Office if he agrees with the sentence in the Commission's document that a political code of conduct has gradually emerged and is now accepted by all the Member States? I wonder also if the President-in-Office agrees that the whole question of majority voting needs to be reviewed in the light of enlargement, which is very much the thesis of the Commission. I do not expect him to be able to give his reaction to that specific proposal, but does he think that the whole question is going to require a review in the light of enlargement?

Finally, I return to a matter of concern to Mr Corrie, the question of a decision-mountain. I believe there are now more than 300 decisions which the Council is sitting on, some of them dating back years, and all of them having had a great deal of work put into them by the Commission, by the Members of this Parliament, by interests who have made representations to both of us and so on, and our time is wasted if this mountain simply grows in size and its decisions remain untaken within the Council. Does the President-in-Office therefore not think that this in itself provides a reason for reviewing the procedures for decision-making within the Council, irrespective of the further requirements posed by enlargement?

IN THE CHAIR : MR DESCHAMPS

Vice-President

President. — I call Mr Andersen.

Mr K.B. Andersen, President of the Council. — (DK) Mr President, I should like to say quickly to Sir

Geoffrey de Freitas that the arguments adduced were certainly impressive. I cannot promise that I shall use two of my 52 days in trying to bring about a change here, but I do promise Sir Geoffrey that I shall use one of my 52 days to raise this question on an occasion where I have made it clear that I hope to see a more general discussion of our relations with Parliament. It will only be a one-day affair, but I shall certainly include this question, for I feel that the arguments raised in this debate carry a lot of weight. To Lord Reay I would say that in my view it would not be possible at the present time to reach agreement among the Nine on amendments to the Treaty, that is, over and above the technical adjustments necessitated by the enlargement. In reply to Lord Reay's direct question I can confirm that in many respects there has been — as it was put — a gradual improvement in the climate and willingness to cooperate among the Nine. This is certainly true and deserves to be emphasized. But if I may return to Mr Corrie's introduction I am quite convinced — although this is, of course, only my personal opinion — that this improvement would not have taken place if we had had this greater degree of openness. Views may differ on this, but that is my personal conviction.

President. — The debate is closed.

13. *Budgetary questions concerning the Court of Auditors*

President. — The next item is the report (Doc. 113/78) drawn up by Mr Cointat on behalf of the Committee on Budgets on :

- I draft supplementary budget No 3 of the European Communities for the financial year 1978
- II the request for the release of certain posts at the Court of Auditors submitted on 7 April 1978
- III the request submitted to Parliament for the transfer of certain of the Court of Auditors' appropriations.

I call Mr Andersen to present the supplementary budget.

Mr K.B. Andersen, President of the Council. — (DK) I can inform you that on 8 May, that is two days ago, the Council adopted draft amending budget No 3 for 1978. The budget proposal drawn up by the Council fully meets the Court of Auditors' personnel requirements. The Council considers that this decision, taken in conjunction with the other provisions which the Council has approved, provides the Court of Auditors with the technical means to carry out its duties in 1978 as laid down in the Treaty of 22 July, 1975. The establishment of a language division of 26 persons will enable the Court of Auditors to undertake translation of all relevant documents into the official languages of the Community. Moreover, the establishment of five persons who previously worked in the Audit Board or in ECSC auditing means that the esta-

Andersen

blished rights of these officials are safeguarded, and also that the Court of Auditors retains the auditing expertise possessed by these officials. In this connection the Council noted that the Court of Auditors has stated that it will not make any additional requests for staff in the context of the 1978 budget. The Council also took note of the fact that the expenditure of just over 800 000 EUA for 1978 arising from this proposal will not entail increased expenditure, since the moneys allocated will be transferred from Chapter 101 in the budget contingency reserve of the Court of Auditors. For these reasons, Mr President, I recommend on behalf of the Council that this proposal should be approved.

President. — I call Mr Cointat.

Mr Cointat, rapporteur. — (*F*) Mr President, in the intimacy of this hemicycle and with the help of a few colleagues, I have the task of presenting to you, on behalf of our Committee on Budgets, a report concerning the Court of Auditors and essentially covering three problems.

I shall be very brief, after the very clear analysis which the President-in-Office of the Council has just made, but I would remind you that we are dealing with a draft supplementary budget No 3 essentially concerning the Court of Auditors, with a request for the release of certain posts at the Court of Auditors under the 1978 budget, and finally with a request for the transfer of certain appropriations.

Like the Committee on Budgets, Mr President, I hope that Parliament will unanimously approve these three reports combined in one and will thus display efficiency and speed in its decision-making, since, as the President of the Council has just reminded us, the draft budget was officially placed before us only on May 8, that is the day before yesterday. As for the two other problems, although we were informed of them by telex only this afternoon your committee has already drawn up its report and is now putting its proposals to you.

I must say at the outset that they are favourable. I shall run through them very quickly. Release of all the posts still frozen for the 1978 financial year (a total of 10 posts). The Committee on Budgets is in complete agreement, since these posts were simply being kept on ice while the Court of Auditors got itself properly established, and it was agreed that these posts would be released when the Court of Auditors thought it appropriate.

With regard to the transfer of appropriations from the reserve in Chapter 101, the amount involved is 207 520 EUA and is intended for recruiting auxiliary staff (100 000 EUA) and meeting administrative costs which are slightly higher than forecast. The Court of Auditors cannot be blamed for a few hesitations and uncertainties in the first year — indeed, the first few

months — of its operation. It is also intended to provide the Court of Auditors with a library fund, which is entirely understandable — the members of the Court must be fully informed about the Community's problems if they are to be provided with all the necessary guarantees. Consequently, your Committee on Budgets also asks you to approve this transfer of appropriations.

There remains the draft supplementary budget. It may seem surprising that three months after the beginning of the financial year the Court of Auditors should have felt the need to present a supplementary budget and that it should have been accepted and taken up by the Council. But in fact the Court is presenting this supplementary budget almost at the request of the European Parliament's Committee on Budgets, for in the course of the budget debate at the end of last year we pointed out to the Court that it would be impossible for it to operate without a well organized and adequately staffed language service. At the time it did not entirely believe us, thinking that it could get by with what already existed; unfortunately we were right. That is why it is asking for a translation service of 26 persons with a ratio of revisers to translators in line with our original wishes. Consequently, we have no special comment to make in this case either.

As the President of the Council stressed a short while ago, there is no immediate financial burden, since the necessary funds can be taken from the reserve in Chapter 101 which carries an allocation of 1 400 000 EUA; if I take account of the request for a transfer of appropriations presented concurrently, there will still remain in any case a sum of 374 930 EUA in Chapter 101.

Those, Mr President, are the observations of the Committee on Budgets. At all events, the committee wished to confirm what it had said during the budget debate. We realize that the 1978 financial year is an experimental one for the Court. We cannot therefore ask for a definitive establishment plan for this first financial year. But we think that the senior officials at the Court should do some serious thinking during 1978 and that it would be highly desirable for the Court of Auditors to provide us during the 1978 financial year with at least a 'provisionally definitive' establishment plan, with an annex giving a timetable for expenditure in 1979 and the following financial year, so that as joint budgetary authority we may observe the trend of the Court's operating expenses. With this reservation, your Committee on Budgets asks you to approve this single report covering three problems.

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, although I am one of Mr Cointat's colleagues on the Control Subcommittee as vice-chairman of that committee, I think I had better make it clear that I speak in a personal

Dalyell

capacity. Mr President, I do not really apologize for taking up a short time, because I do not think that this is a subject that we can quite slide over. It seems to some of us that there are very important issues coming up in the whole relationship between the Court of Auditors on the one hand and the Parliament on the other hand, and indeed the nation states. I need not say to colleagues how important it is for the reputation of the Community that there should be confidence in the way that funds are controlled and in the provisions for making certain that funds from the budget that are allocated in fact find their way to the purposes for which they were allocated.

That would be common ground between us. But, of course, perhaps a year ago, and certainly 6 months ago, there was a feeling that these things were going to work out perfectly smoothly, and in fact to some extent I detected among certain of our colleagues a feeling that the Court of Auditors would allow itself to be the tool of the Parliament, quite legitimately and quite honourably, but nevertheless prepared to work for the Parliament. Indeed, I must say to the President-in-Office that his predecessor, Mr Simonet, in reply to the specific question, 'would the Court of Auditors have a fireman's rôle when it was alleged in the press or elsewhere that some funds had somehow gone wrong?', he answered, 'yes'. He thought that the Court of Auditors would have a rôle to play in any matters that were raised with it by Members of this Parliament or a committee of this Parliament. Now, I was a bit suspicious about this at the time, because, knowing auditors and knowing something about how auditors in our own country behave, I do not expect them, and it is not sensible to expect them, to drop everything to go and investigate some matter in the short term. Indeed, there is a view among auditors that this is not exactly the job that they should be supposed to be doing. So with these suspicions, I put some very direct questions, as did some of my colleagues, to the Italian national auditors when the subcommittee met them for a very fruitful and interesting discussion in Rome about six weeks ago, and it was quite clear from Mr Sernia and Mr Cappiello that they had no intention — they were very nice about it, they were very polite about it — but they had absolutely no intention of being used by the Court of Auditors, let alone the Parliament, for the purposes that some of us think are very urgent in this Community — namely, challenging allegations of misappropriation of funds.

I say in the presence of the President of the Commission and the President-in-Office of the Council that for all the good work that is done there really is nothing more damaging in the public estimation than these constant press reports that we have, that very often go unchallenged, of what looks like misappropriation and waste of funds. Very often, when these are investigated, even rather superficially, it turns out that the accounts in the press of our various countries are either without foundation or profoundly distorted, but

nonetheless, if they are unchallenged, the damage is done. I am afraid, as in so many other fields, that mud sticks at least unless something is done about it straight away.

That is why I am quite concerned about this whole issue and, in particular, about getting straight something else, and that is the relationship between the Court of Auditors and the Parliament, on the one hand, and the national auditors and indeed the police of our various countries on the other hand. Because, of course, the truth of the matter is that the Court of Auditors simply does not have the wherewithal to make the kind of investigation that some of us think necessary, nor, in fact, might it be proper to do so without the cooperation of, shall we say, the fraud sections of the various police forces of our countries. Therefore — I put it as a fairly simple question, but it would be unreasonable to expect him to answer off the top of his head — in the next 52 days that he has, I wonder if Mr Simonet would look at some of the answers that Mr Simonet gave to the Parliament, perhaps have a discussion with Mr Murphy, Sir Norman Price and the other members of the Court of Auditors and perhaps, at some convenient moment, make a statement on these deep-seated problems that I have raised. I am a bit short on answers, because this is a delicate issue. What I am certain is that for the good name of the Community someone, somehow, has to do something.

President. — I call Mr Andersen.

Mr K. B. Andersen, President of the Council, — (DK) Mr President, I should simply like to answer briefly the direct question put to me by Mr Dalyell, who again reminded me that I have only 52 days to go. I am always grateful when I am told this, and I count the days every morning to make sure that I've got the number right.

(Laughter)

I was asked if I would look at Mr Simonet's earlier replies and at the problems they deal with. Obviously, I shall be happy to do that. I am not entirely sure what the procedure will be for reporting back to Parliament. I can always give an answer to a question, but in any case I shall look at the replies given by Mr Simonet and at the problems they concern.

President. — I note that there are no more requests to speak. The vote on the motion for a resolution as it stands will take place tomorrow during voting time. The debate is closed.

14. *Human rights in Uruguay*

President. — The next item is the motion for a resolution (Doc. 84/78), tabled by Mr Patijn, Mr Bertrand, Mr Johnston, Mr Sandri, Mr Seefeld, Mr Spénale, Mr Sieglerschmidt, Mr Bangemann, Mr Holst, Mr Prescott, Lord Kennett, Mr Radoux, Mr Fellermaier, Mr Kavanagh, Mr Lezzi, Mr Lemp, Mr Dankert, Mr

President

Vergeer and Mr Dondelinger, on the respect for human rights in Uruguay.

I call Mr Patijn.

Mr Patijn — (NL) Mr President, I am speaking here, on behalf of the 19 authors of this motion, on a very specific subject which is, however, of great importance.

This is not the first time we have talked in this Parliament about human rights in Latin America. May I remind you, moreover, that following this debate there is to be another debate on Argentina which will deal with the same subject. Nor is this the first time we have talked about individuals. We did so in the case of Spain and in the case of the Soviet Union with regard to political prisoners, dissidents, refugees and so on.

Uruguay is something of a forgotten country in South America with regard to human rights. Nonetheless, infringements of human rights there are particularly serious. There are 5 000 political prisoners out of a population of 2.5 million. I have not made up these figures; they have been provided by Amnesty International, which is an organization we all respect. I should now like to explain what led the authors of this motion to call Parliament's attention to this specific case.

Ricardo Vilaro is a trade union leader and mathematics teacher who has been in prison since 1973. On 28 March 1978 he was officially released by the military court of Montevideo. I do not wish to express an opinion about military courts, I merely state that this one set Mr Vilaro free. On 7 April — that is two weeks later — he left the police station but was picked up again on the street, this time by the naval police. And since then he has been in prison without trial and without any charges having been brought.

Once again, I am not saying what military courts can or cannot do. Mr Vilaro's release had been decided, and his being arrested a second time is in fact a violation of one of the most fundamental of human rights, namely the principle that no one may be taken into custody and possibly sentenced twice for the same offence. *Ne bis in idem* is an essential feature of the rule of law.

This second arrest was a great shock for his family in the Netherlands and particularly for his very courageous wife, who was in Strasbourg last Monday and Tuesday, when she talked to a large number of people who had genuinely expected him to be able to return home now.

This debate has indeed been initiated by a Dutchman on a Uruguayan family living in the Netherlands, but the signatories to the motion come from nearly all the groups in this Parliament and are of all the nationalities. In the past three years others too have pleaded Mr Vilaro's case, including organizations of many shades of opinion. Allow me to mention just a few: Amnesty International, the International Commission of Jurists, the Office of the United Nations in Geneva,

the High Commission for Refugees, the Mayor of New York, Christian and Socialist trade union movements in many European countries, *Justitia et Pax*, the ambassadors in Montevideo of the United States, the Federal Republic and the Netherlands and many members of Parliament from Belgium, the Federal Republic of Germany, the United Kingdom and the Netherlands. Nor are we alone as regards the Community institutions: on 14 April the Commission sent a telex to its representative at the political cooperation meeting in Copenhagen, in which Mr Haferkamp on behalf of the Commission gave instructions for the Commission's representative to put this question of Mr Vilaro before the Community ministers meeting in political cooperation. That means that Commission supports our initiative in this matter, which concerns of a man whose family is living with refugee status in the Netherlands and for whom, moreover, a Netherlands visa and a plane ticket supplied by Amnesty International have been lying ready for some months now at the Netherlands Embassy in Montevideo. As soon as he is free he will be welcome in the Netherlands so that he can join his family there.

Mr President, in our motion for a resolution we ask that the Nine, meeting in political cooperation, should make use of the powers they have in such cases. Political cooperation also takes place at the level of ambassadors throughout the world, meeting under the chairmanship of the ambassador whose country currently holds the Presidency, and in our motion we ask the Nine as such to make representations to the Uruguayan authorities on behalf of Ricardo Vilaro.

Mr President, the 19 authors of this resolution are not asking for mercy. I have explained that this man had been set free. We are asking the Uruguayan authorities to apply the law they have themselves created. And we hope and expect that Mr Andersen will tell us he is prepared to consider instructing the Danish Ambassador in Montevideo to make representations on behalf of the Nine for the release of Ricardo Vilaro. If that is done, then the reality of this political cooperation by the Nine will also be brought home to all those organizations — from the Vatican to Amnesty International, from the European Office of the United Nations to the trade union organizations — who will be able to see in an actual case what the Nine's political cooperation means. All those who have worked to help Ricardo Vilaro will then accept European political cooperation on the part of the Nine as a living reality, and I hope that Mr Andersen will tell me that he is going to act in the spirit of what I have said within the framework of political consultation and via the nine Ambassadors in Montevideo, with a view to obtaining the justified release of Ricardo Vilaro.

Mr President, on behalf of the 19 signatories I commend to you the motion that we have put before you today and I hope it will be adopted by a large majority in this House.

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

Mr Vandewiele. — (NL) Following the excellent declaration made just now by Mr Patijn, who was speaking on behalf of nineteen signatories and thus, I assume, on behalf of Parliament as a whole, I should like to thank him for the calm and tranquility with which he presented this impressive declaration and add my voice, on behalf of our Group, to what he so eloquently expressed.

In my view the case of Ricardo Vilaro, and also the fate of so many others he did not mention who are victims of the violation of human rights give us cause for grave concern. And hearing Mr Patijn speak about this sorry situation today reminds us of this morning's and yesterday's debates. We are all sad and depressed at the fact that we are living today in an atmosphere in which complaints continually have to be made about the violation of human rights in so many countries. I therefore support his call for the cooperation of the Foreign Ministers of the nine Member States. I should also like to thank the President-in-Office of the Council for the attention that he will be giving to our request for the Council to intervene vigorously to defend Mr Vilaro's threatened rights and at the same time to give the world proof of the nine Member States' unanimous determination to act as quickly as possible against any violation of human rights anywhere in the world and to arrive at a situation which genuinely reflects a world of justice and true peace.

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

Mr Scott-Hopkins. — I will be very brief. I have listened with interest and compassion to the speech which has just been made by Mr Patijn concerning the case of Mr Ricardo Vilaro, but I must say to him and to the House that I am worried about the precedent which is being set here. I had not had the opportunity of studying all the evidence which he produced when he was speaking. It is there, and I accept what he has said. But I do not think this House, Sir, is the place where we can take decisions as to whether the evidence is acceptable, or whether it is not. We are not a court of law. We have no ability to cross-examine and so on. Nevertheless, what he has said has touched the House's heartstrings, and it has certainly touched mine too. But I would have thought that on these cases of individual violations of human rights — I do not doubt the evidence that he has at his disposal — this is not necessarily the right forum to which this should go, Sir. I would have thought that we have a particular mechanism for individual petitions, and that is the Committee on the Rules of Procedure and Petitions, and that it should be in that forum that the evidence which has been produced by Mr Patijn, and

all the other organizations which he talked about, should be closely examined. I think it is difficult, which is why I am worried, for this House, in a debate such as this, to pass judgment, because this is what we are being asked to do on this particular occasion — no matter how strong the so-called evidence is that Mr Patijn is producing. So I would say, on behalf of my group, Sir, that whilst we have the utmost sympathy for Mr Ricardo Vilaro, and we hope that he will be restored to freedom, as has been requested by Mr Patijn and indeed by Mr Vandewiele as well, this is not the right forum in which this should be put forward.

I hope that these individual cases will be dealt with in the future by the particular mechanism which this House has set up to deal with individual petitions against the violation of human rights, amongst others. And so, Sir, while accepting and understanding the feelings of emotion which have been aroused by Mr Patijn's speech and the evidence that he has, I find myself unable to support to the full the request which has been put forward for this House to take the decision which it has before it. Therefore I must say that I shall not be able to vote for this: I will abstain on the vote and my group will do the same.

President. — I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Mr President, I must confess that I was for a moment expecting that the President-in-Office of the Council would perhaps have addressed us at this stage, as the remarks of Mr Patijn seem to be more specifically directed to him than me. But I am willing — without taking up very much time of the House — to say one or two words on this matter.

The position of the Commission is, of course, strong and firm on all questions touching the rights of man. I am bound to say that I understand Mr Scott-Hopkins' point that we are not a court of law, and when we start to deal with individual cases, we may be getting into a little difficulty. Nonetheless there is no doubt, as has been recognized by the governments of the Nine meeting in political cooperation, that there are some elements of the situation in Uruguay which cause serious concern. The position of the Commission in Uruguay — we shall have a word to say about Argentina, if necessary, later — is one which we can certainly make in principle clear. But it is one in which we perhaps have a little less leverage than in the case of Argentina, because Uruguay is not demanding an extension of the agreement which we have with her, as is Argentina. So our position to that extent is one of less leverage. Nonetheless we take note very clearly of what has been said, and the position of the Commission is, and remains, firmly in favour of using its influence on the side of human liberty in Uruguay and elsewhere.

President. — I call Mr Andersen.

Mr K. B. Andersen, *President-in-Office of the Foreign Ministers.* — (DK) I just wish to say to Mr Patijn that the nine governments have in fact dealt with the human rights situation in Uruguay on a number of occasions. The matter raised here today is in many respects similar to other matters in which we have taken initiatives. Naturally I cannot say for certain what attitude my colleagues will adopt until the matter has been submitted to them, but once Parliament has finished discussing it, and once the motion for a resolution has been voted on, I shall most certainly do as I have been requested and raise this matter in the context of political cooperation. I shall also report back to Parliament on the results of the efforts which we shall shortly have to make in this affair. I have no wish to become involved in the procedural affairs of this House. I do not know whether we should return to this matter at the meeting of the Political Affairs Committee on 19 June, or whether you consider it desirable to deal with it in Question Time. Whichever route you choose, I am at your disposal. I hope that we shall achieve results quickly, and that we shall be able to take the matter up again at one of the two meetings in June which I mentioned. I believe it is important that we should react in a specific case of this nature, and I give you my promise that I shall raise this matter as soon as the motion for a resolution has been adopted in Parliament.

President. — I call Mr Ellis.

Mr Ellis. — I wonder, Mr President, if I could just have a brief minute to say a word on this. I am sorry to come along after the President of the Commission and the President-in-Office, but I have been moved to say something as a result of what Mr Scott-Hopkins said and also partly as a result of what Mr Jenkins said. First of all, Mr Scott-Hopkins did make the claim that there was no precedent to this case. Well, I can assure him that he is quite wrong. There are a number of precedents. I myself took part in one particular case; it might not be a precise precedent, because it concerned a person held in custody without being charged in one of the Member States, but there are other cases. Particularly, for example, I remember one or two people concerned — Greek nationals — being held in custody in Greece. I cannot, I am afraid, give chapter and verse — I am speaking now absolutely off the top of my head, as it were — but I am sure I could find fairly easily for Mr Scott-Hopkins a number of precedents.

The next point I would like to comment upon is that, of course, we are not a court of law. I do not think anyone would dream of claiming that this place is a court of law. I know nothing about this case other than what my good friend Mr Patijn has said. I listened carefully, and really, as I understood his

speech, it was not so much that we were trying to form an opinion as that it was an appeal to the appropriate legal authorities. Indeed, I think he specifically said that he was asking that the authorities in that country should use their legal processes properly. So we were not ourselves, it seems to me, trying to act as a court of law.

Whether or not this Parliament ought in fact to consider questions like this is an important matter of principle, but I must say I am rather surprised that Mr Scott-Hopkins' group finds it necessary to abstain, as it seems to me, because of a procedural pedantry and for no other reason. I do think that the Parliament might consider such matters in principle. I feel that if there are cases which manifestly need to be brought to some kind of public forum then they should not be debarred from coming to a place such as this, to a Parliament such as this, merely because of some procedural point. There may well be cases that should not come here — that would be a matter for the internal administration, the Bureau and so forth, to decide: whether a case merits being brought before this House or not. As a matter of fact, the particular case that I personally had occasion to raise here concerning a Member State was put before the House, we had a debate on the merits of the issue rather than on the legal principles involved and if I remember rightly, the case was discussed here on the Monday, and on the following Wednesday the government concerned released this man from custody. I like to think that this actually happened as a result of the discussion that we had here. I think that it was a case of justice being done, and injustice rectified.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — All I was saying was that it should go to the Committee on the Rules of Procedure and Petitions and, if they think fit, they should bring it back to the floor of the House. That is what I said, not that it should not be discussed by the European Parliament, but that we should adopt that procedure on individual cases.

President. — I call Mr Patijn.

Mr Patijn. — (NL) There are two things I want to say. Firstly, I should like to thank the President of the Commission, Mr Jenkins, and the President-in-Office of the Council, Mr Andersen, for their positive approach to this matter. I think that Mr Andersen has in fact given me what could be expected of him: the assurance that he will deal with this problem within the framework of political cooperation and the assurance that he will report to Parliament. Meanwhile, perhaps I might explain that my plan was to ask for further information on this move by the Nine by means of an oral question within the framework of political cooperation at Question Time at a future part-session. I shall be glad to consult the Council Secretariat in order to avoid compromising any joint

Patijn

action by the Nine, when it is taken, by seeking information prematurely — but that is my responsibility. That is one remark.

Thank you both for your support, and I should also like to thank Mr Vandewiele and Mr Ellis for the support they have given.

One remark to Mr Scott-Hopkins. It is correct that human rights have frequently been discussed here in terms of general principles. May I, however remind you, as my friend Mr Ellis has already done, that we have had lengthy debates in this House on Solzhnitsyn, Amalrik, Salvador Puig from Spain and many others. Those, too, were matters on which not every Member had been provided with the dossier and also matters which were not passed to committees by petition. Situations can indeed arise which demand our attention in such a way that Parliament must have an opportunity of reacting publicly to events. In conclusion, I would repeat what I said before, and I would like to thank Mr Vandewiele for having properly understood my intention. I raised this question quite calmly: we are not asking for mercy, we are not asking for opinions on the legal system in Uruguay. We are asking whether the Nine are willing to take steps to ask the Uruguayan authorities to apply the law they have themselves created to a man whom they have set free and then had arrested again. That is what we are asking. That is not mercy, that is a right and we are addressing this to a country which has hitherto had relations with us.

I am grateful for the support I have had from an overwhelming majority in this House. I look forward with confidence to tomorrow's vote and hope that Mr Andersen will be proved right when he says that he will be able to report very shortly on the representations the Nine are to make in Montevideo.

President. — I note that there are no more requests to speak. The vote on the motion for a resolution as it stands will take place tomorrow during voting time. The debate is closed.

15. *Human rights in Argentina*

President. — The next item is the motion for a resolution (Doc. 109/78), tabled by Mr Fellermaier and Mr Prescott on behalf of the Socialist Group, on certain violations of human rights in Argentina.

I call Mr Prescott.

Mr Prescott. — Mr President, I wish to apologize for not being present during the previous debate, the subject of which bears a number of similarities to the one that we now propose to debate. That is due to the fact that the Political Affairs Committee is at present meeting to discuss the difficulties concerning the Argentine resolution. Trying to argue the case upstairs, keeping an eye on the clock and running down half-way through the debate is not the best way to present oneself for argument here, but that is one

of the difficulties of the circumstances we work in, and I shall attempt, in the 10 minutes I have at my disposal, to appeal to Members of the House to understand the reason why the resolution is before it.

I do not wish to turn this into a party issue. The resolution is tabled in the name of the Socialist Group, but I want to make it clear to this House that the resolution, whilst tabled in the name of the Socialist Group, is a resolution that reflects one that was first put before this House in the name of Mr Bertrand and a number of other Members from other political groups. This was then referred to the Political Affairs Committee, and I had the honour of being appointed rapporteur to consider whether, in regard to the World Football Cup, we should consider calling for a ban on European football clubs taking part in the World Cup in Argentina in view of the massive repression by the régime in the Argentine of its own people and citizens of other nations, including those of the European Community. The Political Affairs Committee agreed unanimously, with 3 abstentions, that the committee should accept the recommendation that I had given it, which reflected the policy announced by Amnesty International that they would call, not for a ban on the World Football Cup, but for a hearing to counter the propaganda of the Argentine authorities, who have been using the World Cup to put Argentina to the fore and present it in a more favourable light than that cast by the issue of human rights, which has exercised our attention during the last few years since this régime came to power in March 1976.

It was agreed that this public hearing should take place on 25 May in Brussels to consider the evidence — not to pass an opinion, but to consider the evidence — of Amnesty International, the body that had produced a report this year and had made its comments in regard to what it felt was excessive violation of human rights in the Argentine. I do not have the time to spell out the evidence for breaches of human rights; I would refer you to the report produced, as it is, by a body which has been given the Nobel Prize this year and which we have officially honoured and congratulated on its work. I leave it to them to establish the points about the violation of human rights in the Argentine. It is simple to say, as stated in the resolution, that there are between 20 000 and 30 000 political prisoners in the Argentine at present, including 6 000 people whose fate is not known and who have either disappeared or are being held illegally, and many who have been murdered by agencies which the government has confessed to having no control over whatsoever.

It is not the purpose of this exercise to select solely one régime as a violator of human rights. The point has been made about sport and the connection with politics, and that the Olympic Games are to be held in Russia. Well, I am quite amenable to the idea of holding an inquiry here into the matter of human

Prescott

rights in Russia and the holding of the Olympic Games there; but I want to make one point which concerns the Community. Two French nuns committed the crime of going along to the prison to enquire after their friends and relatives, and all the relatives and the two nuns disappeared. Despite a request by the French President for information about these nuns, there was complete refusal to give any information about the whereabouts of these people. There are 100 Community citizens who are missing in the Argentine: I quote the evidence of Amnesty International, who have documented the numbers of people who are detained or have disappeared. I have lists of them here — Germans, Irish, Italians, British, all of them Community citizens in the Argentine. Now I hear the argument: Where do you stop when you start enquiries into the observance of human rights? I understand the argument, but it has not stopped us discussing the Israeli-Arab situation repeatedly, even though people say we should only discuss matters that are relevant to the Community. I believe one could substantiate an argument that if 100 citizens of this Community have disappeared in the Argentine and if the authorities in that country cannot give any information on where they are and whether they are detained along with 20 000 other people whom the American President, Amnesty International and many others have enquired after — and to be fair to the American President he was able to get 1 000 more names from the Argentine authorities, who submitted that these persons were in their jails but would not say so to Amnesty or anybody else — it is certainly a matter of some importance to this House that if the World Cup is to take place in the Argentine, as it is, if Community citizens are to go to this world event, as many of them undoubtedly will do, and bearing in mind what the President of the Council told us in Question Time, that he could not offer any guarantee of the security of people going to the Argentine to attend this football match — and you could perhaps ask whether he could guarantee the security of some-body going to Britain...

(Interruption)

If you will allow me to make the point, we shall find ourselves in agreement somewhere along the way. I can see the argument; he might not necessarily be able to give an absolute guarantee, but the difference between England and the Argentine is that in the one country you have certain laws that require you to admit whether those people are in jail, the courts are not interfered with by the state, agencies are not readily — one thinks of Northern Ireland and the checking of the argument there! — killing people on the scale that they are in the Argentine, and quite frankly, there is a distinct qualitative difference between the two that makes all the difference in the world when a citizen visits one of those two countries. As I was saying, I think one can establish the argument that if our citizens are to go to the Argentine for the football match, then it is our duty to enquire into matters that give rise to concern for their security.

Therefore what this committee seeks to do is to hold a public hearing to establish whether there is any substance in the Amnesty document — not to pass an opinion, but to question, to require, collect information, as committees of this House must do, in order to prepare a resolution for submission to this Assembly; then is the time to make the decision and the judgment. It may well all be too late for the World Football Cup if we do that, but I do confess to pursuing a certain amount of counter-propaganda to the millions being poured by the Argentine authorities into American public-relations agencies to project a different image of the Argentine to the one that Amnesty tells us about, that a country which does not cooperate with Amnesty, one which, by its own admission, has not been able to guarantee the security of its own citizens. I think in those circumstances that one should give due recognition to the work of international organizations taking place there.

However that may be, the point I wish to impress on the Members of this House is that the Political Affairs Committee are unanimously agreed that the Bureau for one reason or another has embarked on a certain amount of delay. I do not say it is entirely the fault of the members of the Bureau: they have asked for information. What is clear is that, as we established in the political Affairs Committee a few minutes ago, sufficient information has been provided, but that it was not given to the members of the Bureau. Now, that might be a slip-up in the Cabinet of the President, and I hope that is taken note of publicly here, because if there are people who are pursuing delaying tactics — and I recognize there are more ways of skinning a cat than actually doing it yourself — then they should get out in the hustings and get elected, and not seek political decisions behind closed doors. I will go no further than say that. But there have been delays, unforgivable delays, this House has been delayed in making a proper decision, and I do not want the position to arise where, as another aspect of policy, the Bureau makes a political decision over the heads of the Political Affairs Committee, because it then becomes a body assuming unto itself powers that go over the heads of this Assembly. And therefore our purpose is to make clear that when the Bureau meets — yes, of course, it is a kind of pressure and that should not be surprising to Members of this Assembly — we are saying to the Bureau, please come to a decision. If you say yes, well and good. (As for the money, and that is the only decision you are entitled to make, it is a pittance, nobody is claiming that it is a lot of money, something like £ 5 000). If you say no, then the House can question that decision — and this is the supreme body which can direct the President, or any of its committees, or indeed the Bureau, to make a decision. And so this resolution, Mr President, is put before the House with ample opportunity for the enlarged Bureau to make a decision tomorrow, and then inform the House, and we would not press our resolution to the vote. We desire it to be a unanimous decision of this House, as it was previously.

Prescott

I am sorry that a little pressure should seem to be socialist in content; indeed it is, in fact; but one should recognize the tactics of the situation and why we have put it before the House in this way as an insurance — we all take out insurances in many ways. We hope the enlarged Bureau will see the point, and I hope in conclusion, Mr President, because I have heard some of the arguments upstairs, that when people say they do not wish it to set a precedent for enquiring into human rights in other countries, they will see that that is almost like saying that this Parliament will not really embark on an investigation into the many many issues of human rights and that we cannot say something about violations of human rights, even when they affect visiting European citizens. So we, as socialists, put this forward as an argument; we have not established a case for the violation of human rights, though there is abundant evidence; we are prepared to look at any countries, whether of the right or left, where human rights are violated, even if it be Northern Ireland — and we have been involved in Britain in the violation of human rights, and we admit to that, there is no doubt about it and it goes on in other countries too.

This resolution asks the Political Affairs Committee to look at the Argentine. We did not select the Argentine: there were other politicians who did that, my duty as rapporteur is to report to this House and the Political Affairs Committee the results of that research; we have therefore recommended a public hearing, unanimously endorsed by the Political Affairs Committee and, I hope, by the Bureau tomorrow, and if not by the Bureau, then by the Parliament in an instruction to its committee.

(Applause)

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

Mr Lücker. — *(D)* Mr President, I wasn't able to hear the whole of Mr Prescott's speech. I would beg your indulgence, as we have just been discussing the very same question in the Political Affairs Committee. I was pleased, Mr Prescott, that — as far as I was able to judge — you took some account in your speech of what we have just been discussing in the Political Affairs Committee...

Mr Fellermaier. — *(D)* Socialists are always realists.

Mr Lücker. — *(D)* ... The same goes for us too — we are realistic optimists and what I have to say will be in the same vein.

Mr President, normally in the past, whenever a question like this has come up for discussion, whenever human rights were violated anywhere — no matter where — in the world and this House or one of its

groups thought it necessary for Parliament to make its voice heard for certain reasons as the representative of our peoples, to protest against the violation of human rights, this House was — to my knowledge from my long association with it — always agreed on the point. And the same applies today. Mr Prescott said that his country had undoubtedly also violated citizen's human rights. To which I would say that the same goes for my people. We realize this; after all, we are aware of our past. We are all sinners, everyone of us, but we have resolved to do better in the future. And we intend to stick to this resolution.

The political content of the motion for a resolution which Mr Prescott has advocated here so passionately in his capacity as rapporteur for the Political Affairs Committee is not being questioned at all. This has been made quite clear by my Group and by the other groups, which have together tabled an amendment to paragraph 3 of your motion for a resolution. Our only disagreement is about paragraph 3, in other words the question of whether or not this House should hold a hearing on the situation in Argentina. That is the only problem. By the way, Mr Prescott, I would point out that we passed the motion for a resolution of 23 December unanimously. We referred the resolution to your Committee and it will be up to you to present us with a report. I am just trying to make it clear, Mr President, that for the time being, the procedure has not yet been completed. The suggestion has been made that a conflict has arisen between the Political Affairs Committee and the Bureau of this House owing to an alleged attempt by the Bureau to arrogate to itself political powers to which it is not entitled over the head of the Political Affairs Committee. If this were true, Mr Prescott, I would be on your side at this moment, not only to protest but to do everything in my power to prevent such a thing happening.

I was a member of the Political Affairs Committee for more than ten years and I know what is at issue here. I should therefore like to confirm — on my own behalf and on behalf of the Bureau, which discussed this question in Rome, and in particular on behalf of our President, Mr Colombo — that we all realized that a conflict was brewing, but that no one wanted such a conflict and most certainly not President Colombo.

We crossed swords fairly and unemotionally in Rome, and at the end of the day President Colombo said that he would take upon himself the responsibility of discussing the question with the Political Affairs Committee, its chairman and its rapporteur and deciding what the future course of action should be. I should like to make it quite clear that the conflict was not about the question of costs but — and let us be quite frank with each other about this — about the political content of the Political Affairs Committee's proposed course of action.

Lücker

Although these discussions between the President of Parliament, Mr Colombo, and the chairman and the rapporteur of the Political Affairs Committee have not taken place this week (as Mr Prescott knows, the ground had been prepared by a letter), this was undoubtedly because President Colombo has since Monday been preoccupied with the tragic case of Aldo Moro. President Colombo, has not been able to attend this part-session so far, but we shall return to this matter tomorrow in a different context.

What do I mean by the political content of the Political Affairs Committee's proposed course of action? I should perhaps enlarge on this point and I would admit, Mr Prescott, that I still do not have a fixed opinion on this question. I am still genuinely looking for ways of solving this problem in the interests of Parliament.

The first point to be made is one which I brought up in the Bureau. Originally, interest was focused on the World Cup competition, but now the Socialist Group's motion for a resolution of yesterday only mentions the World Cup in an introductory paragraph and, what is more, in connection with a remark made by the President-in-Office of the Council which should not, in my opinion, be quoted here in this form. If I were to ask the President-in-Office of the Council today if he could guarantee our safety if we were to go to Rome tomorrow, he would — as the cautious man I take him to be — say that he could give no absolute guarantee to anyone, no matter where they are going. So we should not exaggerate the importance of this remark.

So what is the crux of the matter? If we hold a public hearing today on Argentina, a third country separated from Europe by a whole ocean, this House must face the question of whether it is prepared to hold similar investigations into conditions in other countries. We are all aware that — according to the records kept by *Amnesty International* — human rights are violated in more than 110 of the 130-plus Member States of the United Nations. I have made a careful study of Lord Avebury's report on Argentina, of which, I assume that you, Mr Prescott, are also aware. As you know, Lord Avebury was the Chairman of Amnesty International's committee dealing with this question. If we intend to go into the situation obtaining in Argentina and in other countries in more detail, we must be in no doubt as to what we are letting ourselves in for. Will we not, Mr President, be running the risk of being told by third countries to put our own house in order? A motion for a resolution has been tabled by Mr Hamilton, who wants some information on racial policy. Then again, there are the countries associated with us under the Lomé Convention. I don't want to name any countries here; that would be going much too far. But the third countries will say to us: What about your own situation, and

what about all those countries you are associated with under the Lomé Convention? Why concern yourselves with us rather than with your own countries and with those states with which you have much more closer relations?

I would repeat, Mr Prescott, that I have as yet no answers to offer; I am merely stating the question which everyone in this House should be asking himself.

And then if, in addition, a hearing which is to be more than just a Russell Tribunal were to come to a definite conclusion...

Mr Fellermaier. — (D) Now you've really gone too far! What is the point of these polemics? Are you suggesting that we are a Russell tribunal? This insinuation...

(Cries from the left)

Mr Lücker. — (D) Mr Fellermaier, what I said was that a hearing of this kind should be more than a Russell Tribunal. My intention was not to draw a comparison, but simply to point out that if we hold a hearing of this kind and come to a definite conclusion, I should like to know what we are going to do with that conclusion. We do not want simply once again to pass a politically based motion for a resolution, setting out our thoughts on the preservation of human rights in every part of the world. I should like to have an answer to this question. I can't provide the answer myself — I am still looking for an answer.

Mr President, in the past we have always observed a convention on this point. I realize that this question cannot be answered to our full satisfaction simply by reference to the Rules of Procedure, but this is something which must be cleared up in this House by democratic means. So far this House has only held hearings directly in connection with an aspect of Community policy on which Parliament was required to express an opinion more or less immediately. In such cases we have always allowed the committees concerned to hold hearings to gather all the information required to enable the committee to submit an adequate report for the House to vote on. We have always restricted this procedure to questions of Community policy.

Certainly it is up to the House to decide whether it wants to break with this convention and whether it wants to use hearings to deal with matters which are not directly connected with an aspect of Community policy. This is a question on which — I admit — the Rules of Procedure do not give a clear answer, but the convention we have followed so far was to hold hearings only in connection with an aspect of Community policy.

Mr President, I said at the outset that this was a continuing process, and one which has not yet been brought

Lücker

to a conclusion. The Socialist Group thought it right to table a request for urgent debate. Mr Prescott, we are all parliamentarians and we have been in this business long enough; you were generous enough to admit that your Group did of course want to bring a little political pressure to bear. This is a legitimate tactic and one which we would concede to any of our opponents. Feel free, go ahead with your tactics, but I should just like to make the point that even with your request for urgent debate, the process has still not run its full course. You know that as well as I do. We can argue about this point, but in politics I am not a moralist, I am a realist. At the Rome meeting of the Bureau, it was agreed that contact should be made between the Bureau and the Political Affairs Committee. What you want is a certain guarantee to back up your political initiative. As a Member of Parliament, you are perfectly within your rights to do so, and I shall not raise a word of criticism of your actions. We shall see tomorrow what comes out of the discussion. I have just heard from the chairman of the Political Affairs Committee that he has been invited to this meeting of the Bureau but on this point, I should like to say quite clearly and unequivocally that the Bureau should not usurp the committees' or the plenary Assembly's right to take political decisions in this House. The Bureau's job is simply to ensure that the work of this House accords with the Rules of Procedure and if there is a conflict, it is up to the plenary Assembly to resolve the conflict, and this is how the matter is going to be dealt with.

Finally, Mr President, I should just like to say that the point here is not who is for and who is against the protection of human rights. That is not at issue. We are in full agreement on that and the amendment we have tabled to your request for urgent debate brings this out quite clearly. There is nothing more that needs to be said on this matter. Tomorrow we shall be a little bit wiser and shall take the decision. At any rate, Mr President, I should like to say on behalf of my colleagues and my Group that we shall be no less active than the Socialists in condemning the violation of human rights. We are just as concerned as they claim to be about the maintenance of human rights and basic civil liberties in every part of the world.

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

Mr Seefeld. — (D) Ladies and gentlemen, I was very glad to hear Mr Lücker, at least at the end of his remarks, setting out the views of his Group on this whole problem. He managed, in fact, to speak for several minutes without even touching on the question of whether the Christian-Democratic Members of this House were for or against the holding of a hearing and whether or not the Christian Democrats

supported the resolution which was approved in the Political Affairs Committee with the votes of their members in that committee. I was, however, pleased to hear Mr Lücker say that there was no divergence in our views on the question of human rights; indeed, I would have been surprised had there been any, Mr Lücker, because I have here in front of me, for instance, a resolution proposed by Mr Bertrand and signed by Mr Granelli and other members of your Group, which you tabled on 23 December 1977 and in which you say, for example — and I only have the English text here at the moment, so forgive me for reading it out in English — along with all of us, that Parliament was *extremely disturbed at the news concerning the abduction of two French nuns in that country*, that is, in Argentina. By dint of this resolution, you joined in what was — I hope — the unanimous support given by this House to the principles of human rights, peace and liberty in Argentina.

Having made these introductory remarks, allow, me, ladies and gentlemen, to appeal to the Bureau and particularly to you, Mr President, to take serious note of the concerns expressed by the Socialist Group. It is quite outrageous that no decision should have been taken on this matter between 22 March — the day on which the Political Affairs Committee wrote a letter to the President — and today. 49 days for the Bureau to come to a decision: that, Mr President, is quite scandalous.

Secondly, 27 Members of this House, representing all the political groups and meeting in the Political Affairs Committee under the chairmanship of Mr Bertrand, supported the letter written by Mr Bertrand with only three abstentions. And for 49 days, the Bureau has not had the gumption to take a decision.

First of all, you meet in Luxembourg and postpone a decision until the Rome meeting. Then you meet in Rome and put the decision off until the Strasbourg meeting. And now here we are in Strasbourg, and you are planning to take the decision tomorrow, on the 50th day, although you know perfectly well in the Bureau that the deadline is drawing nearer and nearer.

We didn't choose the date of the World Cup competition. The date was fixed, and because we felt that the citizens of the European Community should be made aware of this whole problem in connection with the World Cup, we wanted to fix this deadline before the World Cup began, on 25 or 26 May.

Forgive me, Mr President, for saying that we get the impression that there are people in the Bureau who do not want this hearing to take place. And so the date is postponed again and again so that they can claim that, for administrative reasons, it is no longer feasible. This is the impression we have, Mr President!

Seefeld

One more comment on this matter, Mr President: I come from a country which knows what a dictatorship can do to get good publicity. I remember 1936, and I would say to you that we democrats still feel sick about the way Hitler and his regime sought to give Germany the image of a peaceful, peace-loving, sporting and hospitable country. Precisely the same kind of thing is happening in Argentina! The films that are now being shown on television, showing a land of gauchos, señoritas, pampas and the football-lovers gloss over the foul political conditions prevailing in Argentina. I therefore appeal to you to help in ensuring that those of our citizens who are prepared to think politically are informed not only of the World Cup matches in Argentina, but also of the kind of facts that the football reporters will probably fail to mention. And a public hearing in Brussels can enable us to do this. It was only natural — natural, that is, from their point of view — that the Argentinian Government should kick up a fuss over the European Parliament's declared intention.

Mr President, ladies and gentlemen, my Group is consistent in its denunciation of violations of human rights wherever they occur in the world. We draw no distinction between East and West, North and South. But given this enormous spectacle, which will be seen by millions upon millions of people, we feel that a respected body must raise its voice in protest and — forgive us for saying so — the European Parliament is a respected body and our own self-respect makes us duty-bound to raise our voice in protest against what is going on in Argentina.

Mr President, when you attend tomorrow's meeting of the Bureau, I hope you will give notice of our great concern in this matter. To decide against holding the hearing would be a body-blow to the importance of this Parliament and particularly to its political importance before direct elections. Help us to maintain the respect we enjoy among the citizens of the Community by an affirmative decision in tomorrow's meeting of the Bureau.

(Applause from the left)

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

Mr Scott-Hopkins. — Mr President, my reason for rising to my feet is that my name stands with that of Mr Lücker and others on the amendment which he has put down and has just moved to the resolution put forward by the Socialist Group. Let me start off — I will be very brief — by saying that I was rather surprised at the way the speech of my predecessor Mr Seefeld has just gone. He started off by paying great attention to the question of human rights and the lack of them, which the whole of this House agrees with, in Argentina. Now the violations have taken place,

and reading the resolution of the Socialist Group, as put forward by Mr Prescott, this is what it says. It draws attention to those violations which are taking place in Argentina, with which nobody is disagreeing. Mr Prescott mentioned quite rightly the case of the two French nuns. There are other cases as well, and this resolution is aimed at improving the position within Argentina, asking the President-in-Office to bring pressure to bear through all the ways he can so as to help those people who are in Argentina and who are being oppressed. And yet, suddenly, we switch from that to a propaganda exercise about the World Cup. That is not the purpose of this resolution here. The purpose of this resolution is to ask the President-in-Office to exert the maximum amount of influence that he can, with his colleagues from all our nine countries, on the government of Argentina to help those who are being oppressed within Argentina, be they nationals of the nine countries of the Community or be they nationals of Argentina itself. We are, as far as we can be, the guardians of the human rights of our own citizens, and we pay great attention, certainly in my group and, I am sure, in all the other groups, to the violation of human rights of anybody, no matter where he may live throughout this world. We ask the President-in-Office to do that. The purpose, as I understand it, of this resolution is to draw attention to that. Not to the World Cup. That is, in his view, doubtless important, but it is not mentioned in the resolution. And the timing of this is something I am going to come to in a moment.

May I say at the same time that, as for asking the President-in-Office or indeed any member of the Council to guarantee the safety — which I think has been mentioned already by Mr Lücker as well as other Members — of any citizen of the Community, this is something which it is impossible to do in this day and age. And we do not ask it. We had a difficulty at the last part-session with the President-in-Office, when he made one or two statements then. There were certain problems which arose from those statements, but we will not go back over that now. But he is in no position at all, and never has been, to guarantee the safety of any citizen, whether he goes to Argentina or to Italy or wherever, as Mr Lücker has said. Obviously we want to bring to our citizens, no matter where they travel the maximum cognizance of the dangers that they are liable to face if they go.

Now I come to the last part of what I wanted to say. I am not going to talk at all about the powers of the Bureau *vis-à-vis* those of Parliament or the committees. I would only make one remark in passing, that perhaps it is a pity that there are not more members of the Bureau present to hear this debate this evening. But that is all I would say about that at the moment. There are, I think, about five members here at the moment.

Scott-Hopkins

Now I come to the amendment to which my name has been attached. This is a propaganda exercise of which I do not disapprove at all, as a propaganda exercise. I think the argument that one puts forward when one says, 'once you start here, where do you stop?' is a valid one. I listened to Mr Prescott's argument against it, and I could, if I took up the time of the House, weary it by trying to pick holes in it and saying there are at least 110 countries out of 130 members of the United Nations and so on who violate human rights according to Amnesty. Where are we going to stop once we start? I think that is a valid argument, but that is not what I am going to say here. If this is an argument we are putting forward it is valid as such, but if what is being said by the Socialist Group by Mr Seefeld, by Mr Prescott, and I am sure by Mr Fellermaier when he gets up in a few moments time, is that the point of this is to draw attention to the situation before the World Cup, then you are in point of fact ignoring what you are trying to do here. What you are trying to do here is help the people who are in difficulties in Argentina. This is the purpose of this resolution, and I do not believe that trying to put on a half-cock hearing within two weeks from now is worth the effort: I do not think it will achieve the purpose which you are trying to achieve. Now we come to the question of timing. It has been within the powers of those members of the Bureau — and Mr Fellermaier, Mr Holst and Sir Geoffrey de Freitas are all sitting there in their places, and they have been members of the Bureau — they have been there during these 49 days, and if they wanted to get this thing brought forward, do you mean to tell me that with their great power and great ability of oratory they could not have done so?

(Interruptions from the left)

If the honourable gentleman wishes to interrupt me, I will willingly give way to him, and I am sure the Chair will not mind if I do. What I am trying to say is that the Bureau met, and they voted, and the decision was against having a hearing the Bureau on this particular issue. That was the decision, and the Bureau is now reconsidering it, but if people had wanted it to be it could have been brought forward, and the argument put forward by Mr Seefeld, that we waited 49 days nonsense: it could have been decided if it had been present by the honourable gentlemen opposite, they could have so done. But the point of the matter is that it did not happen and it has not been decided as such.

(Continued interruptions)

The decision has been that this will not take place. Now there is the conflict, which I am not going to enter into, between the House, the Political Affairs Committee and the Bureau — that is not something which I want to enter into in this argument. I do not believe now, as things stand, that for the Political Affairs Committee to hold a hearing in two week's

time from now is the right thing to go ahead with. This is why my name is on the order-paper supporting the amendment put down by the Christian-Democratic Group, and my group will support that amendment. We believe that if this is going to be done at all it must be done properly, and I do not believe this is the right way of going about it. I said that the argument is strong: once you start here, where do you finish? That is another argument which I personally equally support, because I do not believe that this is the right way to go about it. But apart from that, all the rest of the resolution, which is dealing with those who are in difficulty in Argentina, my group entirely supports. Let us make it quite clear to this House what we are trying to do. Are we trying to run a propaganda exercise to stop people going to the World Cup — is that what we are after? If so, this seems an extraordinary way of going about doing it, because we shall not stop a single person going to Argentina, if they have decided to, to watch the World Cup being played there. If we are trying to help those who are in trouble in Argentina, let us by all means do it. But this is not the way, in my view, of going about it. At short notice, not properly prepared, I do not believe it will achieve the purpose which it has set out to do, which is to help, in my view — not to stop people going — to help people who are in difficulty in Argentina...

(Renewed interruptions)

... to ask the President-in-Office, not to stop people going to the football match, but to help people over in Argentina who are in trouble — a hundred people, I am told, from the Community, and others, heaven knows how many thousands of Argentinians in gaol. That is the purpose of this resolution and that purpose we support, but that is all.

President. — I call Mr Bertrand.

Mr Bertrand. — *(NL)* I am much deplore the fact that this debate should have to take place in public. My view is that it would be better to discuss and try to find the solution to differences of opinion on the competences of committees and the Bureau within the Bureau itself. However, that's the way and I think it is a great pity.

I should like to emphasize the fact that if the Political Affairs Committee continues to concern itself with urgent political problems, it is bound to come into conflict again and again with the Bureau. We — as a Political Affairs Committee — intend to keep in close touch with every political development and to provide the plenary Assembly with information on topical political issues based on sound research. We carry out this task in accordance with the present Rules of Procedure and have not one beyond the limits of those Rules. That is a point I should like to make here today in public. I shall not express an opinion on

Bertrand

the question proper but Rule 25 states quite clearly that: 'Any Member make table a motion for a resolution on a matter falling within the sphere of activities of the Communities'. Well, the situation is that I — together with Mr Granelli and others — had tabled a motion for a resolution on the disappearance of two nuns in Argentina, and I wanted information on this case. It is up to the Bureau to decide whether such a motion for a resolution falls within the sphere of activities of the Communities, and in this instance the Bureau decided that this was indeed the case because it referred the resolution to the competent committee. The committee examined the motion for a resolution on behalf of the Bureau and the plenary Assembly. Mr Prescott was appointed the Political Affairs Committee's rapporteur, and, after looking into the matter, he told the committee that it would be a good thing if — in connection with the motion for a resolution in question — a hearing were to be held in an attempt to bring to light the scandalous violation of human rights everywhere in Argentina. The Political Affairs Committee decided that it would be politically opportune to hold such a hearing before an important international sporting event, which of course does not concern us as such. We do not wish to express an opinion on the World Cup competition in Argentina or to boycott that event, but since this country is using it to grab the limelight we feel we must react as a Parliament should. That is the first point.

Secondly, we took the view that we were acting in full accordance with Rule 40 of the Rules of Procedure, paragraph 1 of which states very clearly: 'Committee meetings shall not be held in public unless the committee decides otherwise'. We decided, as were thus entitled to, that the meeting should be held in public. And the second part of Rule 40, paragraph 2 of the Rules of Procedure says: 'By special decision of a committee (in this case the Political Affairs Committee), any other person may be invited to attend and to speak at a meeting'. Well, there is only one text available on the application of the second part of paragraph 2 and it is to be found in the pink pages. The aim is to provide a procedure which will enable the Bureau to ensure that if this clause is evoked, any additional expenditure is kept within reasonable limits. This is the only written interpretation of the clause in question. As far as the political content is concerned, however, no procedure has even been laid down. That is the responsibility of the committee concerned. I should like to commend this fact to your attention today so that we can state quite clearly what we think when we have to defend one of our committees.

Thirdly, I should like to emphasize that whenever — as in a case like this one — we are unable to interpret a Rule as such, it is up to the Bureau to ask the Committee on the Rules of Procedure and Petitions to reexamine the Rules of Procedure and if necessary reformulate them more clearly. This has not yet been

done. So in our capacity as the competent committee, we have acted within our terms of reference. I want to state this clearly and unequivocally because it is a very important point in the context of what has been said here today.

Furthermore, and in the light of all the accusations which have been made, principally by Mr Scott-Hopkins, I should like to reply to the allegation that this hearing has not been adequately prepared.

We have sent all the Members of the Committee documentary material on all aspects of this matter. We have sent a memorandum to the Bureau, clearly stating that we want to invite certain prominent figures, to wit, personalities from Washington representing the Human Rights Committee, within the framework of relations between the delegation of the European Parliament and the United States Congress.

We also want to invite someone from Mexico in the context of the Latin American Conference, because we recently discussed the question of human rights at a meeting of the European Parliament and the Latin American Parliament. We only want one person. We also plan to invite six people from London, representatives of Amnesty International; and I should prefer not to mention the names of our other prospective guests here in public, but all this information has been made available. So you see that all the preparations for the hearing have been made and it can take place at any time. We only have to issue the invitations. It is intolerable therefore that anyone should stand up and say that no preparations have been made. I have my responsibilities as chairman of a committee and I shall defend these responsibilities and my committee as long as I remain in the chair. This is something I want to state quite clearly and categorically here today.

(Applause)

And so I hope — with all due respect — that the Bureau will be wise enough to steer clear of those areas over which it has no jurisdiction. Political decisions are submitted by the competent committees to the plenary Assembly and not to the Bureau. Political decisions and resolutions do not have to be submitted to the Bureau for its approval. We have fulfilled our responsibilities: we have applied for approval of the necessary expenditure as the political content of the decisions and I must protest against this statement, because this is a matter for the House and not for the Bureau. This too is an indisputable fact and must be recognized as such, so that in the future we shall have no more conflicts of the kind we have today. I greatly deplore this situation, because paragraph 3, as tabled by the Socialist Group, was unnecessary. There is no need to ask the Political Affairs Committee to implement a decision which it has itself taken. We shall

Bertrand

implement this decision, as we have a right to do. I greatly deplore the fact that today's conflict has been aired in public, and for this reason, I should like to ask you, Mr President, to see than an objective report is issued tomorrow of today's discussion, so that there will be no repetition of this incident.

(Applause)

President. — I call Mr Jenkins.

Mr Jenkins, President of the Commission. — I intervene only very briefly and not at all with the intention of bringing the debate to an end.

This has been a fascinating debate which clearly and understandably touches deep passions and raises matters concerning the organization of the work of the Parliament. That is not a matter on which the Commission would profess to have a right of interference.

But as regards the position of the Commission in relation to the Argentine in general, I foreshadowed this to some extent in my very brief intervention an hour ago relating to the question of Uruguay. I then set out the general attitude of the Commission to questions of the Rights of Man. I said that our leverage was limited in the case of Uruguay, and indicated that it was a little less so in the case of the Argentine. In January 1977, the government in Buenos Aires asked that the existing agreement should be extended to take the form of a Cooperation Agreement of the type which the Community has with Mexico. The preliminary conversations began, but they were interrupted after the *coup d'état* in March 1977. And since then the Community, I think rightly, has been very reticent about re-starting them, in spite of some considerable pressure from the Argentinian Government. The existing agreement continues, but there has been no meeting of the Joint Committee since December 1976. I think it can therefore be said that the Community and the Commission are indicating our general view and dislike of many things which are happening in the Argentine. As I understand it, that is in accord with the general view of this House. The dispute, if such there be, between those who have spoken from differing parts of this House is on how the House should handle a particular situation in regard to the World Cup and how the Bureau should conduct its own affairs. These are not matters for the Commission. But in what is a matter for the Commission, I think it can be said that we are acting in accord with the will of the House.

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, if I may say so with some admiration, I think that those of us who heard it, thought that Mr Bertrand's speech was very much to the point and rang absolutely true. I would like to ask just two questions. Firstly, could we have an

enquiry into how the papers in this matter actually move? I refer to the internal situation of the Parliament. Secondly could the rest of us know how this indefensible delay came about, and where the responsibility lies? Now it is all very well for Mr Scott-Hopkins to say that we should not have an enquiry. But at short notice, we should not have one that was ill-prepared, he said. But I must say to Mr Seefeld that of course it would have been neither at short notice nor ill-prepared if the matter had been dealt with in time. And I do not make a speech in order to create difficulties: the fact is that some of us are very embarrassed on this matter, because we have said to a large number of people at home that Parliament is conducting an enquiry on matters in relation to the Argentine. I make no great virtue of it, but, coming from Scotland — which, like the Federal Republic, is involved in the World Cup — I am asked by people who say: what are you doing at the European Parliament about this? And we answer that we are having an enquiry. I must say to Mr Andersen that when he gave the last answer in Question time that there could be no guarantee, he may not know it, but this was the first item on the Scottish television news that night. It is a very live issue. I leave it at that.

But I do ask this particular question; how come all this delay? I have in my hand a letter to Mr Colombo dated 22 March 1978, from Mr Bertrand, as he will remember:

At its meeting of 22 March 1978, the Political Affairs Committee considered the motion for a resolution on certain violations of human rights in Argentina which the European Parliament referred to in plenary session. After a searching discussion, the committee agreed unanimously, save three abstentions, on the advisability of organizing, in accordance with Rule 42 (2) of the Rules of Procedure, a public hearing to obtain more specific and detailed information on these violations of human rights in Argentina.

Now what I am asking is what happened between 22 March and today, 10 May, because Parliament is entitled some to some explanation of the chain of events — how the papers moved, how the indefensible delay came about, where the responsibility lies. It is a very specific question, and I hope it will be answered tomorrow.

Secondly, I referred to Mr Andersen, who has been listening patiently, if I could have his attention. I, like, I hope, most parliamentarians, do not think that football is the most important matter in the world, but the fact is that there is very genuine concern where I come from, where Mr Fellermaier and Mr Seefeld come from, in Holland and in Italy, about very many of our constituents who are going to the Argentine, and I would not dare forget England. I thought that the speeches of both Mr Prescott and Mr Seefeld were extremely powerful, and I do not want to go on repeating what they said, all of which I agree with, but

Dalyell

I specifically ask this question: what role does Mr Andersen think that the Council of Ministers has in relation to talking to the Argentinians about the safety of people going from the Community to the Argentine? Has the Council of Ministers any role in this matter, or is it to be left to the individual nation-states who may see themselves to be involved? Some of us think that this is a thing that will probably be done with greater authority by the Council of Ministers as a whole than if left to the individual states of the Community. I leave that as a question.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (*D*) Mr President, ladies and gentlemen, although time is moving on apace, there is something that needs to be said in the interests of historical accuracy, and what I have to say is directed in particular to the authors of this amendment. These people really owe it to their own self-respect to explain the European public exactly why they have had this change of heart.

The meeting of the Political Affairs Committee of the European Parliament included the chairman of the Christian-Democratic Group, Mr Klepsch, the chairman of the European Conservative Group, Mr Rippon and the chairman of the European Progressive Democrats Group, Mr de la Malène. All told, there were 27 Members present at the meeting, only three of whom abstained on the question of holding a hearing. That was the main decision taken at the meeting of the Political Affairs Committee.

So I am puzzled as to the reasons for the Christian-Democratic Group's change of mind, which has resulted in the chairman and the other members of the Christian-Democratic Group — who voted for the hearing in the Political Affairs Committee — now tabling an amendment and making out that what they did yesterday suddenly no longer applies today.

I would ask you, Mr Scott-Hopkins, whether it is the policy of the European Conservative Group to be for something in a non-public meeting and to give the impression that all was sweetness, light and unity in the Political Affairs Committee, and then — as soon as it comes to sticking up for your views in public — to advance one spurious argument after the other against the holding of the hearing?

But of course I am forgetting — we should have got used to this by now — that the leader of the Conservative Group cannot attend the debates of this House. He probably has to advise Mrs Thatcher on the line she should take after the meeting of the EDU in Klessheim Castle in Salzburg in order to push the Christian-Democratic parties in Italy, Belgium and the Netherlands out on a left-wing limb, so as to prepare the ground to the advance of right-wing conservatism in Europe under the leadership of Franz-

Joseph Strauss and Margaret Thatcher. I appreciate that Mr Rippon is occasionally required to act as the good lady's adviser.

President. — I would ask you to keep to the matter under debate.

Mr Fellermaier. — (*D*) Mr President, in a debate like this, I trust you will permit me to express the opinion of my Group and also to point out that there has been a change of heart in other groups as well — and this is a point on which I must take issue with the Christian-Democratic Group. I am sorry that Mr Notenboom is no longer in the Chamber, since he was the reason for the Bureau's failure at its last meeting in Luxembourg to come to a decision on this matter, and I call on the honourable Members and the Vice-Presidents of this House who were present at that meeting of the Bureau to correct any inaccuracy of mine here in public.

At the part-session in Luxembourg, I referred to the date fixed for the hearing — 25 May — to the painstaking preparations for the hearing and to the demand made by the Political Affairs Committee with only three abstentions (in other words, with the support of all the parties in this House), and appealed for a decision to be taken on that day. This was thwarted thanks to the objection raised by the acting chairman of the Christian-Democratic Group, Mr Notenboom, who claimed in the Bureau that on the day in question his Group was not in a position to give its consent to the hearing. Being good democrats, we thereupon decided to respect the objection raised by one of the political groups and to postpone the decision until the Rome meeting. But in Rome, the decision was postponed yet again. In the face of all this, I can only endorse what Mr Bertrand said here today on behalf of his committee.

And I should like to express my thanks to you, Mr Bertrand, for not only fulfilling your duty as a committee chairman, but also for exposing and rejecting what was said here by Mr Lücker — in his capacity as spokesman for the Christian Democrats — to the effect that the Bureau's decision was based on political considerations.

It is not the job of the Bureau to concern itself with political matters, even when it is faced with a text bearing the names of Members from all the Member States, covering the whole political spectrum from the right to the left of the House. And, Mr Scott-Hopkins, you are undoubtedly quite right in saying that the point of the matter is really to improve the situation of those people in Argentina who are languishing in jails. But what is also important is to prod the world's conscience, so that flagrant violations of human rights are not overshadowed by sporting events under the Latin American sun. This is the effect the Political Affairs Committee was hoping to achieve by holding this hearing.

Fellermaier

I would remind you — and this is not an everyday event in world politics — that the US Ambassador last week handed over to Argentinian Government — on the instructions of the US Administration — a list containing the names of 10 000 political prisoners, accompanied by a call for their release. When we think of this number quoted by the US Administration — and official sources certainly do not tend to exaggerate figures like these — I believe we must give these people the chance to exercise their right of free speech, and this right can only be exercised in a free part of the world like Europe. For this reason, Mr Scott-Hopkins, we should publicly thank the Political Affairs Committee for generously providing a platform for those who otherwise have no opportunity of making their views known. Let us take a look at who the committee is planning to invite, and I quote: former members of the Argentinian Parliament and political personalities who did not belong to the former parliamentary institutions, in other words, people who have fought for their democratic principles. When we established contact with the Latin American Parliaments, we said that we expected that body to include members from those countries in which the parliaments have been dissolved and the members arrested or exiled. That was the unanimous attitude of this House, an attitude which has been respected by the Latin American Parliament. What I wonder is whether the Christian-Democrats, the European Conservatives and the European Progressive Democrats really want this House to agree on its attitude to what is going on in Argentina and on the principle of using the World Cup to make people aware of what is going on and to prod the world's conscience? Do these Groups really want to drive a wedge into this House? Mr Lücker, you have the opportunity today — not tomorrow in the Bureau — because we won't allow you to shirk your public responsibility in this matter. I can't force you to make a declaration on behalf of your Group, but I would ask the Christian-Democratic Group right here and now whether it is prepared to go along with its chairman's vote in the Political Affairs Committee on 22 March for the preparation of a hearing and to give a declaration here that its chairman's word — given on 22 March — still holds today.

And I would ask the absent representatives of the European Progressive Democrats whether they are prepared to stand by the decision of the Political Affairs Committee. This is something which has nothing to do with tomorrow's meeting of the Bureau; the Bureau's job is simply to investigate the financial aspects of the hearing. But here in the public gaze we must expect the big political families of Europe to say what they think and not content themselves with a shrewd compromise tomorrow in the quiet obscurity of the Bureau. Because this matter has now been dragging on for weeks and weeks — 50 days in fact — it is of course rather unpleasant to have

the Socialists table this motion for a resolution and everyone would now of course like to find a diplomatic way out, saying that somehow tomorrow the Bureau will agree on a solution. We may still get the hearing held, but perhaps not on 25 May because that would mean giving insufficient notice. Mr Scott-Hopkins said that we should then only have two weeks in which to prepare the hearing. The Americans have a word for this kind of tactic — filibustering. Mr Notenboom adopted this tactic for the Christian-Democrats, and others have carried it on. I appeal to you all: have the courage of the convictions expressed by the members of your Groups in the Political Affairs Committee, and declare here and now that you are in favour of this hearing being held. By doing so, you will rescue your political credibility. Otherwise, that credibility will be gone.

(Applause from the left)

President. — I call Sir Geoffrey.

Sir Geoffrey de Freitas. — Mr President, as I informed you, I have a point of order concerning tomorrow's Bureau meeting and you have been informed of the point. Do you wish me to make that point now or later?

President. — You wish to protest against the fact that the Bureau meeting, which was to have taken place at 10 a.m., has been postponed until 11 o'clock...

Sir Geoffrey de Freitas. — I am sorry. It is much more complicated than that. I agreed to take the chair, Mr President, at 11 a.m. tomorrow because I was told that the Bureau meeting would be over by then. Since it is not so, I should be deprived of my vote on the Bureau, and I resent this very much, because twice during the last three part-sessions. I have had to take the chair while the Bureau has been meeting. I have been asked to take the chair, I have agreed to do so and done so loyally without complaint. But I am most reluctant to take the chair tomorrow because of this development, and I hope you will get somebody else to do so.

President. — Mr Holst, are you offering to take the chair?

Mr Holst. — *(DK)* It is not on this last point that I wish to speak, Mr President. What brings me to my feet is Mr Scott-Hopkins' comment on the Bureau's handling of this affair. I was one of the members who met as Vice-Presidents of this Parliament in Rome on 21 April. As you will no doubt remember, Mr President, we dealt on that occasion with a request from the Political Affairs Committee, dated 22 March, i.e. almost a month old. The purport of this request from the Political Affairs Committee was that we should

Holst

give permission or approval for a hearing to be held by the committee. I have the document here. The Political Affairs Committee wished to have approval for a hearing, as had been decided by the committee unanimously, with three abstentions. Several members of the Bureau said on that occasion, 'What Mr Bertrand had done on behalf of the Political Affairs Committee is perfectly in order. The committee can hold a hearing if it wishes to. It can invite anyone it wishes to invite.' We are quite clear about this situation. No one was in any doubt in the Bureau about it. On 21 April it was obvious that if the Bureau approved the relatively small expenditure required for this purpose, it would be possible to hold the hearing on 25 May, which was the unanimous wish of the Political Affairs Committee. Some members of the Bureau thought for political reasons that it was wrong to hold a hearing. But the question, Mr President, which must be asked is — is this Bureau a supra-political committee, which is called upon to decide whether the decisions of the Political Affairs Committee are right or wrong? The Bureau is not a supra-political committee ...

(Applause)

If the Bureau had found that an error had been committed, that the reference to Rule 40 was erroneous, or that some other mistake of a formal nature had been made, the Bureau would have been entitled to make a pronouncement. We did not do so, Mr President, as you no doubt remember.

What we did do was to ask for additional information because we considered that the information from the committee was not sufficient to justify our approving the necessary expenditure. A lot of information was asked for, relating to precedents and many other things of a political and practical nature. I voted against the proposal that we should postpone the hearing for these reasons.

I learned subsequently that in a note dated 10 April the chairman of the Political Affairs Committee, Mr Bertrand, had covered all the questions which we did not know had been covered on 21 April. However embarrassing it is for us, therefore, Mr Dalyell is perfectly entitled to ask what happened to Mr Bertrand's note which was sent to the President's Cabinet on 10 April. Where on earth did this note get to, since it was unavailable to us eleven days later or indeed — what I find very worrying — since we did not even know that such a note had been submitted? It is of course possible that there was no time or opportunity to copy it and distribute it to the members of the Bureau. In complete ignorance of the existence of this note a majority in the Bureau outvoted us others, arguing that since the situation was unclear no decision could be taken that day. The Bureau's majority decision on 21 April in Rome was thus based on faulty foundations. I support Mr Dalyell

in this, and I shall ask to be told in the Bureau tomorrow where this note was for eleven days, this note which I had not seen and which gave answers to all the questions put.

(Applause)

Possibly it did not give answers to all the questions, but neither you nor I, Mr President, as members of the Bureau have yet seen it. Today is 10 May and I haven't seen it yet, although I don't want to make a fuss about that. What I am complaining about is that I didn't see it 21 April. These remarks will, I hope, put Mr Scott-Hopkins' comments about the length of time which the Bureau took to deal with this matter — and I felt he was hinting that this was an inadmissible length of time — in a proper context.

I must protest against the criticisms made by Mr Scott-Hopkins of the Bureau and its work. I regret that I did not see the note, just as I am sure that you also regret not seeing it, Mr President. I wonder whether together we shall have an opportunity to study this note, signed by the chairman of the Political Affairs Committee on 10 April, tomorrow morning — that is on 11 April.

President. — I call Mr Fellermaier.

Mr Fellermaier. — *(D)* Mr President, on behalf of my Group, I move that the European Parliament decide that the President of Parliament should inform the House, before the end of this part-session, of the reasons why the Political Affairs Committee's note of 10 April has till now been withheld from the Members of the Bureau. I request that a formal vote be taken on the matter.

President. — Mr Fellermaier, I have deliberately allowed this debate to assume the dimensions which the subject deserves. Nor, since I did not wish to intervene as President, did I correct one or two statements which at least required qualification.

But I should like now to raise a few points on the basis of the documents submitted to me.

The question of the request made on 22 March in connection with a public hearing to be organized on the violation of human rights in Argentina was examined by the Bureau in its meeting in Rome on 20 and 21 April, if Mr Holst's dates are correct.

At this point I defer to your collective memory, for mine is not exact enough for me to state this definitely in public. However, I think I am right in saying that Mr Colombo, on the grounds that he had received this note too late to have it translated into all the official languages and distributed to all the members of the Bureau, read it out. After that the Bureau, as you said just now, decided by a majority that it was not sufficiently well informed and that it would ask the Political Affairs Committee for some additional information.

President

You may protest, but you cannot deny an exact version of the facts. That is what was decided. To prove the truth of it, I have before me the letter sent by Mr Colombo to the chairman of the Political Affairs Committee, in which he says that after discussing it the enlarged Bureau decided by a majority to send this application back to the Political Affairs Committee with a request for further information.

The letter also states that the discussions dealt essentially with the scope of this initiative, particularly in the light of a recent motion for a resolution which has also been submitted to the Political Affairs Committee and which raises the problem of human rights in connection with the organization of the next Olympic Games.

The enlarged Bureau, moreover, expressed its willingness to re-examine the whole problem when the practical arrangements for this hearing and its scope had been more clearly explained.

This meeting is due to take place at 11 a.m. tomorrow. The Bureau will have before it a letter from Mr Bertrand, chairman of the Political Affairs Committee, and it will then be able to address itself once more to the whole problem, since it will have the additional information which it asked for at the end of its Rome meeting.

That is what took place. I believe that you, like me, witnessed this within the Bureau. Tomorrow, then, at the meeting of the Bureau in the presence of Mr Colombo, we shall have the information asked for by Mr Fellermaier, who will be able to put his question as to whether there was a note, on what date it arrived and on what date it was possible to reply to it.

Was that not the point of your question, Mr Fellermaier?

Mr Fellermaier. — (D) Mr President, I repeat: I have tabled a formal procedural motion:

Now that these accusations have been publicly discussed, the European Parliament instructs its President to make a statement to the House, on the basis of tomorrow's meeting of the Bureau and before the end of this part-session, explaining why a note of 10 April from the Political Affairs Committee has been withheld from the Members of the Bureau until 8.37 p.m. on 10 May.

This is a motion tabled by my Group, Mr President, and I would ask you to conduct a formal vote on it.

President. — I call Mr Holst.

Mr Holst. — (DK) Mr President, I know you as a politician of great integrity. Therefore I do not wish to enter into a debate on the substance of your recollections of the last Bureau meeting. I just want to ask one question. If the note of 10 April signed by Mr Bertrand, which contained information to help the members of the Bureau adopt a position on this ques-

tion, had not been translated by 21 April, can you tell me whether it has been translated by 10 May, today? I have still not seen it. It can hardly take four weeks merely to translate the note.

President. — Mr Holst, I cannot answer your question at the moment, because I do not have the document before me.

I call Mr Lücker.

Mr Lücker. — (D) Mr President, I would not like to prolong the debate. I do not think that this debate does this Parliament much credit and anyway there is no point in continuing it with so few Members present. I should just like to ask Mr Fellermaier to reflect for a moment on whether he might not agree to word his procedural motion so that the President is instructed — as he put it — on the basis of tomorrow's meeting and before the end of this week, to make a statement to the House explaining why the documents *have not been received*. You used the words *have been withheld*. Mr Fellermaier, I am sure we both agree that this would be stating something the truth of which we have not yet established. If you agree to the motion, and then the debate could be closed for today if this accusation is left out and replaced simply by an objective statement that we wish to have this report submitted.

Mr Fellermaier. — (D) I fully agree.

President. — Gentlemen, I cannot see at the moment on which section of the Rules of Procedure Mr Fellermaier is basing his request that a vote be taken on his motion.

But I agree with you all that we would like the matter clarified. I think, Mr Fellermaier, that the best solution, and the one most in line with the Rules of Procedure, is that you put your question during tomorrow's Bureau meeting. You will then receive the answer you want.

I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, you are basing yourself on the Rules of Procedure. So am I. The Rules of Procedure allow the House at any time to instruct its President to report to it on any event. What sort of Parliament is it in which Members of the Bureau must complain on 10 May in full view of the public that an important note for political assessment, sent by the Political Affairs Committee on 10 April, is not yet available. I therefore request, on behalf of my Group, no more than that the President should make a public statement after tomorrow's Bureau meeting so that the Members who are not in the Bureau can be told at first hand by the President why a political note could apparently not be translated in four weeks and is not yet available. When I left my office this evening to take part in this debate, I had not received

Fellermaier

a set of Bureau documents, and the same goes for the other Members of the Bureau.

We are concerned here with the right of Parliament as a whole to be given information about a particular event. Mr President, Parliament has every right to decide at any time to instruct its President to make a statement.

On behalf of my Group, I would again make the request that a vote be taken on whether the President should be instructed to make a statement to the House — and I do not mean to the Bureau, which does not meet in public — on this matter, which has after all been discussed publicly here.

(Cries of 'Hear, hear!')

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, I think this is out of perspective and out of proportion, and we do not want to go on debating. It is 8.45, and unless Mr Fellermaier can support it by one of our Rules of Procedure I think he really should not persist in this. He has made his point. Any President of any sense at all is going to listen and be told what happened today and will come to this House and make a statement after the Bureau meeting tomorrow. So I would suggest that, unless there is a legal basis for what Mr Fellermaier is putting forward, and I do not believe there is, we should leave it to the good sense of this House, to the Bureau and the President, who will undoubtedly follow what Mr Fellermaier has asked them to do.

President. — I call Mr Bertrand.

Mr Bertrand. — *(NL)* I should like to ask Mr Fellermaier not to insist on a vote just now. I think that the rule in Parliament is clear, Mr Fellermaier: if you, on behalf of the Group of which you are chairman, indicate to the President that he should make a statement on the matter, this has sufficient political weight to ensure that the Vice-President chairing today's sitting will put your request to the Bureau tomorrow and that the President will then give you a reply. I think that, also from the point of view of political procedure, this is the most commendable approach.

I should like to ask you to be content with having made, as Group chairman, this request to the President of Parliament. Your comments will be formally noted. I would ask you not to request a vote today.

President. — Mr Fellermaier, that is what I proposed to you a moment ago.

Tomorrow I shall pass on the President of Parliament the wish expressed by the House this evening. After the Bureau meeting tomorrow, i.e. when this matter has been fully clarified, you shall have the explanation you require. Your aim has thus been achieved, and we can therefore consider this incident closed.

I call Mr Andersen, whom I should like to thank for waiting so patiently during our debates.

(Applause)

Mr K. B. Andersen, *President-in-Office of the Foreign Ministers.* — *(DK)* Mr President, I really did not intend to speak in this debate, which has very largely been concerned with matters of internal procedure, on which I have naturally no desire at all to comment. My reason for speaking — and I am grateful for the opportunity to be able to take the floor at this late hour, and shall keep it short — is that a direct question was put to me, and also that the President of the Commission had something to say on this matter half an hour ago. Misunderstandings might arise if the representative of the institution which is responsible for external political matters, that is the Conference of Foreign Ministers' meeting in political cooperation, were not to make a reply in this purely political, deeply and seriously political debate. I should like to assure the honourable Members that the Conference of Foreign Ministers is following the situation in Argentina very closely indeed. Some Members may have forgotten that on 6 April, as was reported in the daily press and other media, all nine governments, through the intermediary of my ministerial colleague Lise Østergaard of the Danish Foreign Affairs Ministry, approached the Argentinian Ambassador in Copenhagen and expressed our deep concern for the Community citizens who are believed to be in difficulties and on the general situation as regards human rights in Argentina. And I would also remind you that a week later the special group dealing with Latin America in the context of political cooperation met in Copenhagen and again discussed the whole situation. We have various sources of information, the reliability of which is of course always difficult to assess, but which leave no room for doubt that the number of persons in difficulties in Argentina runs into four figures. There seems no reason to doubt this at all.

I am glad to have had this opportunity to say that that we are following this situation with constant attention, concern and dismay.

Mr Dalyell put a direct question to me about what we could do for the Community citizens — I hope I understood the question correctly — who were going to Argentina in the near future to watch the World Cup matches. Here I must repeat what I said earlier. How can we give any particular guarantee? Certainly, we can investigate what avenues are open to us, although I personally cannot see any. I might add that there is no reason at all to believe that those going to Argentina in this way will be in any special danger. However, I cannot see any possibility of giving the assurance which Mr Dalyell appeared to be seeking.

K.B. Andersen

Finally, I would point out that I am concerned, as naturally any Foreign Minister would be about what happens to the citizens of his country who travel abroad, and I am concerned about those persons who travel to Argentina whatever the risks they run. But I am also extremely concerned about what we can do to help the thousands of people who are suffering from the scant respect for human rights in Argentina.

(Applause)

I am willing to admit that at this time I am perhaps as concerned about this problem as I am about the safety of those persons who are travelling of their own free will to Argentina and who will be able to come home again.

(Applause)

President. — I note that there are no more requests to speak. The vote on the motion for a resolution together with the amendment which has been tabled will take place tomorrow during voting time.

The debate is closed.

16. *Agenda for next sitting*

President. — The next sitting will be held tomorrow, Thursday, 11 May 1978, at 10.00 a.m. and 3.00 p.m., with the following agenda :

10.00 a.m. : Tribute to the memory of Aldo Moro

11.00 a.m. :

- Joint debate on the second Tolman report on monetary compensatory amounts and the Hoffmann report on representative conversion rates
- Herbert report on milk and milk products
- Lemp report on agricultural structures
- Ryan report on the financing of certain interventions by the EAGGF
- Shaw report on a financial regulation for the EAGGF
- Oral question with debate to the Commission on the crisis in the inland waterways sector

3.00 p.m. : Question Time (continuation of questions to the Commission)

5.00 p.m. : Votes on the motions for resolutions on which the debate is closed.

The sitting is closed.

(The sitting was closed at 8.55 p.m.)

ANNEX

Questions which could not be answered during Question Time, with written answers

*Questions to the Council**Question No 25 by Mrs Cassamagnago-Cerretti*

Subject: Discrimination against women at work

Can the Council already say what stage has been reached in the various Member States in the application of Directive No 76/207/EEC¹ on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions?

Answer

The Council would request the Honourable Member to note that Directive 76/207/EEC was notified to the Member States on 9 February 1976, and that pursuant to Article 9 of the Directive they have a period of thirty months from the date of notification in which to bring into force the laws, regulations and administrative provisions necessary to comply with the Directive.

The Treaty, moreover, entrusts the Commission with the task of ensuring that provisions introduced by the Community Institutions pursuant to the Treaty are applied.

Question No 29 by Mr Cousté

Subject: Indebtedness of the developing countries

At the next UNCTAD conference will the Community simply present as its official position the statement of indebtedness submitted by Europe and the United States to the Conference on International Economic Co-operation, or is it able to envisage a retroactive adjustment, i.e. the adjustment of the old rate of interest to the new debt?

Answer

I am happy to inform the Honourable Member that some progress was made on the question of the indebtedness of the developing countries and on aid policy at the UNCTAD ministerial meeting held in Geneva in March:

- the industrialized countries took a step in the direction of meeting the demands of the '77'. For the least developed countries in particular, the industrialized countries undertook to try to adopt retroactive measures to adapt the terms of past bilateral official assistance to the distinctly more favourable terms at present prevailing, or to adopt measures having equivalent effects. The objective is to achieve an increase in the net flow of official assistance on very favourable terms towards the poorest countries;
- secondly, with regard to the elaboration of a procedure for dealing with future cases of indebtedness, the various positions are now significantly closer together in this area also: agreement was reached on the basic concepts to govern future debt measures. Before March 1979 detailed guiding principles will be drawn up by a group of experts.

¹ OJ L 39, 14.2.1976, p. 40.

Question No 34, by Mr Hamilton

Subject : Bribery by multi-national companies operating within the EEC

What consideration is the Council giving to the adoption of measures to prevent the widespread bribery and corrupt practices engaged in by multi-national companies and their subsidiaries operating within the EEC ?

Answer

I can only inform the Honourable Member that the Council has had no proposal on the subject placed before it by the Commission.

Question No 36, by Lord Reay

Subject : Majority voting in the Council

How many decisions were taken by the Council in 1977, and to date in 1978, respectively, by a majority ; and to what extent is it now the policy of the Council to take decisions by a majority ?

Answer

All Council decisions are taken in accordance with the provisions of the Treaties. These stipulate that Council decisions on certain measures are to be taken by a majority vote of its members, and in fact a number of decisions have been taken in this way. An increase in the utilization of the majority vote has been noted in the period referred to by the Honourable Member.

This does not prevent the Council from making every endeavour to reconcile the views of its members before taking a decision.

However, since the Council's discussions are confidential for reasons connected with its proper functioning, the Council regrets that it cannot supply the Honourable Member with the information requested concerning the number of occasions on which it acted by a majority vote.

Question No 37, by Mr Kavanagh

Subject : Legislation in Ireland relating to juvenile offenders

Is the Council aware of the plans by the Irish Government to open the equivalent of a Children's Prison in Ireland, and will it use its influence with the Irish Government to persuade it to re-examine the question and propose more enlightened measures ?

Answer

The matter raised by the Honourable Member does not come within Council's competence.

Question No 38, by Mr Edwards

Subject : Cooperation Agreements

Will the council give an assurance that in authorizing the Commission to negotiate outline cooperation agreements it will in future take full account of the regard shown for human rights in the potential partner country ?

Answer

In accordance with the joint declaration adopted on 5 April 1977, the Council like all the Community. Institutions, is concerned, in the exercise of its powers, about respect for human rights.

As I have already stated in the reply to the question put by Mr Stetter, the problem raised by the Honourable Member has been mentioned in connection with the renewal of the Lomé Convention. The Council has not hitherto discussed this problem in other cooperation agreements.

*Questions to the Ministers of Foreign Affairs**Question No 45, by Mr Bettiza*

What are the views of the Foreign Ministers on the omission of any reference to civil and human rights in the final document of the Belgrade Conference, one of the objectives of which was to enforce respect for freedom of movement and expression in Europe, rights which have been flouted by the USSR in depriving the Soviet cellist Rostropovich and his wife of Soviet citizenship on entirely spurious grounds?

Answer

I have already reported on the final document in the answer I recently gave to Written Question No 1348/77 by Mr Cifarelli regarding the outcome of the Belgrade Conference. As I said in that answer it was not possible to reach agreement on a substantial and balanced final document reflecting the detailed assessment of the implementation of the Final Act or on a reasonable number of proposals intended to contribute to, among other things, a reinforcement of respect for human rights and the implementation of the humanitarian provisions contained in Chapter III of the Final Act. Since it became clear to the Nine that a document of this kind would not be possible, they concentrated on trying to establish agreement on a brief and generally factual text rather than a piece of window dressing. I should point out, however, that although the final document is brief, it contains an explicit reaffirmation by all the participants of their commitment to implement the Final Act in its entirety and a declaration to the effect that this implementation is of decisive importance for the development of détente.

This commitment naturally also includes the principle of respect for human rights and the implementation of the humanitarian provisions. In the period until the Madrid Conference, the Nine intend to continue their deliberations on the implementation of the Final Act by the Eastern bloc in both these fields and the other fields covered by the document.

Question No 47, by Mr Edwards

Will the Ministers conform that the proposals for the independence of Namibia on 31 December 1978 represent the unanimous viewpoint of the Member States of the Community and that they will continue to exercise their influence upon all parties concerned to ensure that this transition takes place in a peaceful manner?

Answer

At the meeting of the European Council in Copenhagen last April, the nine Heads of State and Government issued the following declaration on Namibia:

'The European Council has taken note of the proposal for a settlement in Namibia prepared by the Five Powers. The Council supports the action of the Five and considers the proposal to be a fair and reasonable solution. It hopes that all the parties involved will feel able to accept this important opportunity for a negotiated peaceful solution in accordance with Security Council Resolution 385'.

The Nine are wholeheartedly in favour of an independent Namibia. They continue to be convinced that this proposal from the five Western members of the Security Council for a solution in accordance with Security Council Resolution 385 is the best means of promoting Namibia's swift and peaceful transition to independence.

I can confirm that as and when agreement is reached on the proposal for a solution to the Namibia question, the Nine will use their influence to ensure that the transition to independence takes place in a peaceful manner.

SITTING OF THURSDAY, 11 MAY 1978

Contents

1. <i>Tribute to Mr Aldo Moro</i>	193	<i>Democratic Group (EPP Group); Mr Bourdellès on behalf of the Liberal and Democratic Group; Mrs Dunwoody; Mr Bourdellès; Mr Liogier on behalf of the Group of European Progressive Democrats; Mr Howell on behalf of the European Conservative Group</i>	209
<i>Mr Fellermaier on behalf of the Socialist Group; Mr Klepsch on behalf of the Christian-Democratic Group (EPP Group); Mr Meintz on behalf of the Liberal and Democratic Group; Mr Yeats on behalf of the Group of European Progressive Democrats; Mr Scott-Hopkins on behalf of the European Conservative Group; Mr Sandri on behalf of the Communist and Allies Group; Mr Jenkins, President of the Commission; Mr Granelli</i>	194	6. <i>Membership of committees</i>	214
2. <i>Approval of minutes</i>	198	7. <i>Agenda</i>	
3. <i>Documents received</i>	198	<i>Mr Dewulf; Mr Hughes; Mr Dalyell</i>	214
4. <i>Regulations on monetary compensatory amounts and representative conversion rates — Joint debate on the reports drawn up by Mr Tolman (Doc. 102/78) and Mr Hoffmann (Doc. 104/78 on behalf of the Committee on Agriculture:</i>		8. <i>Question Time (conclusion)</i>	
<i>Point of order: Sir Brandon Rhys Williams</i>	199	<i>Questions to the Commission of the European Communities:</i>	
<i>Mr Tolman, rapporteur</i>	199	<i>Question No 7, by Mr Noè (postponed)</i>	215
<i>Mr Hoffman, rapporteur</i>	200	<i>Question No 8, by Mr Schyns: Social protection and social security:</i>	
<i>Mr Früh, draftsman of an opinion; Sir Brandon Rhys Williams, draftsman of an opinion; Mr Hughes on behalf of the Socialist Group; Mr Dewulf on behalf of the Christian-Democratic Group (EPP Group); Mr Bourdellès on behalf of the Liberal and Democratic Group; Mr Liogier on behalf of the Group of European Progressive Democrats; Mr Howell on behalf of the European Conservative Group; Mr Herbert; Mr Brunner, Member of the Commission</i>	201	<i>Mr Jenkins, President of the Commission; Mr Schyns; Mr Jenkins; Sir Brandon Rhys Williams; Mr Jenkins</i>	215
5. <i>Regulations on milk and milk products — Report drawn up by Mr Herbert on behalf of the Committee on Agriculture (Doc. 116/78):</i>		<i>Question No 9, by Mr Osborn: Blind landing systems for aircraft:</i>	
<i>Mr Herbert, rapporteur</i>	209	<i>Mr Jenkins; Lord Bessborough; Mr Jenkins; Mr Dalyell; Mr Jenkins</i>	216
<i>Mr Früh on behalf of the Christian-</i>		<i>Question No 10, by Mr McDonald: Plastic containers for milk:</i>	
		<i>Mr Brunner, Member of the Commission; Mr McDonald; Mr Brunner; Mr Dalyell; Mr Brunner</i>	216
		<i>Question No 11, by Mr Shaw: Compensation for misapplication of the regulation on powder milk incorporation:</i>	
		<i>Mr Brunner; Mr Shaw; Mr Brunner</i>	217
		<i>Question No 12, by Mr Howell (see Annex)</i>	
		<i>Question No 13, by Lord Bessborough: Tree planting:</i>	
		<i>Mr Vouel, Member of the Commission; Lord Bessborough; Mr Vouel; Mr Dalyell; Mr Vouel; Mr Shaw</i>	217

<i>Question No 14, by Mr Normanton: Training for trade with Japan:</i>		<i>Mr Fellermaier</i>	231
<i>Mr Jenkins; Mr Normanton; Mr Jenkins; Mr Dalyell; Mr Jenkins</i>	217	<i>Amendment to paragraph 3:</i>	
<i>Question No 15, by Mr van Aerssen (see Annex)</i>		<i>Mr Fellermaier</i>	231
<i>Question No 16, by Mr Herbert; Export refunds for pork:</i>		<i>Explanation of vote: Mr Klepsch on behalf of the Christian-Democratic Group (EPP Group)</i>	231
<i>Mr Brunner; Mr Herbert; Mr Brunner</i>	218	<i>Mr Prescott; Mr Klepsch; Mr Fellermaier; Mr Klepsch; Mr Fellermaier; Mr Klepsch</i>	232
<i>Question No 17, by Mr L'Estrange: Equal pay:</i>		<i>Explanations of vote: Mr Fellermaier on behalf of the Socialist Group; Mr Scott-Hopkins on behalf of the European Conservative Group; Mr Durieux on behalf of the Liberal and Democratic Group</i>	232
<i>Mr Jenkins; Mr L'Estrange; Mr Jenkins; Mr Brown; Mr Jenkins; Mr Fletcher-Cooke; Mr Jenkins; Mr Yeats; Mr Jenkins</i>	218	<i>Mr Prescott</i>	233
<i>Question No 18, by Mr Broeks: Terrorism and control of arms sales:</i>		<i>Tolman report (Doc. 102/78): Monetary compensatory amounts:</i>	
<i>Mr Jenkins; Mr Broeks; Mr Jenkins; Sir Derek Walker-Smith; Mr Jenkins; Mr L'Estrange; Mr Jenkins; Mr Power; Mr Jenkins; Mr Cunningham; Mr Fletcher-Cooke; Mr Jenkins; Mr Dalyell; Mr Jenkins</i>	220	<i>Amendments to paragraph 1:</i>	
<i>Question No 19, by Mr Brown: Safe polyurethane foam:</i>		<i>Mr Tolman, rapporteur</i>	233
<i>Mr Vouel; Mr Brown; Mr Vouel</i>	222	<i>Amendment to paragraph 2:</i>	
<i>Question No 20, by Mr Scott-Hopkins (postponed)</i>		<i>Mr Tolman</i>	233
<i>Question No 21, by Mr Cifarelli: Free movement of European footballers:</i>		<i>Amendments after paragraph 2:</i>	
<i>Mr Vouel; Mr Bourdellès; Mr Vouel; Mr Hughes</i>	222	<i>Mr Tolman</i>	234
9. <i>Regulations on milk and milk products (continued):</i>		<i>Explanation of vote: Mr Dewulf on behalf of the Christian-Democratic Group (EPP Group)</i>	234
<i>Mr Hughes; Mrs Kellett-Bowman; Mrs Dunwoody; Lord Brimelow; Mrs Ewing; Mr Mitchell</i>	223	<i>Mr Tolman</i>	234
10. <i>Votes</i>		<i>Adoption of the resolution</i>	234
<i>Patijn report (Doc. 65/78): Elections to the European Parliament by direct universal suffrage:</i>		<i>Hoffmann report (Doc. 104/78): Representative conversion rates:</i>	
<i>Adoption of the resolution</i>	230	<i>Amendment to paragraph 4:</i>	
<i>Cointat report (Doc. 113/78): Budgetary questions concerning the Court of Auditors:</i>		<i>Mr Hoffmann, rapporteur</i>	234
<i>Adoption of the resolution</i>	230	<i>Adoption of the resolution</i>	235
<i>Patijn motion for a resolution (Doc. 84/78): Human rights in Uruguay:</i>		11. <i>Regulations on milk and milk products (continued):</i>	
<i>Adoption of the resolution</i>	230	<i>Mr Brown; Mr L'Estrange; Mr Früh; Mr Brunner, Member of the Commission; Mrs Dunwoody; Mr Dalyell; Mr Brunner; Mr Scott-Hopkins; Mr Brunner; Mr Mitchell; Lord Brimelow; Mr Lange; Mr Brown; Mr Brunner</i>	235
<i>Fellermaier and Prescott motion for a resolution (Doc. 109/78): Human rights in Argentina:</i>		12. <i>Directives on agricultural structures — Report by Mr Lemp on behalf of the Committee on Agriculture (Doc. 59/78)</i>	
		<i>Mr Hughes, deputy rapporteur</i>	241
		<i>Mr L'Estrange on behalf of the Christian-Democratic Group (EPP) Mr Liogier on behalf of the European Progressive Democrats; Mr Herbert; Mr Nolan; Mr Dewulf; Mr Brunner, Member of the Commission</i>	241
		13. <i>Regulation on the financing of certain interventions by the EAGGF — Report by</i>	

<i>Mr Ryan, on behalf of the Committee on Budgets (Doc. 78/78)</i>		<i>Mr Shaw, rapporteur</i>	252
<i>Mr Ryan, rapporteur</i>	247	<i>Mr Brunner, Member of the Commission</i>	252
<i>Mr Power on behalf of the Group of European Progressive Democrats; Mr L'Estrange; Mr Brunner, Member of the Commission; Mr Lange, chairman of the Committee on Budgets; Mr Brunner; Mr Ryan</i>	249	15. <i>Oral question with debate: Crisis in the inland waterways sector (Doc. 73/78)</i>	
14. <i>Financial regulation concerning the EAGGF — Report by Mr Shaw on behalf of the Committee on Budgets (Doc. 91/78)</i>		<i>Mr Vouel, Member of the Commission</i> . . .	253
		<i>Mr Damseaux, author of the question</i> . . .	254
		<i>Mr Albers on behalf of the Socialist Group; Mr Seefeld; Mr Vouel; Mr Damseaux</i>	254
		16. <i>Agenda for next sitting</i>	257
		<i>Annex</i>	258

IN THE CHAIR: MR COLOMBO

President

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

President. — The sitting is open.

1. *Tribute to Mr Aldo Moro*

President. — Ladies and gentlemen, we now pay due tribute to Mr Aldo Moro, who has been so barbarously murdered.

(The House rose to listen to the President)

We wish to pay tribute without indulging in any rhetoric, and with the simplicity appropriate to the great and tragic events of human affairs and to personalities who have made a deep impression on the history of our own times.

During the weeks which followed the massacre of five young men and the kidnapping of Mr Moro we always hoped — in fact believed — that reason and humanity would prevail and that Aldo Moro's life would be saved, for the sake above all of his family, but also of Italy and of the European Community, of which he was a convinced supporter and architect.

Instead, cold, calculating and incomprehensible brutality has prevailed, transforming imprisonment into sacrifice and martyrdom, and hope grief, emptiness and the distressing realization that our society can still witness such displays of savagery and total denial of human rights and life.

This Parliament, which is the Parliament of a community of peoples who have chosen to cooperate precisely in order to safeguard the basis of peace and democratic society, must once more make its voice heard and call upon the governments of the Member States to unite and work together to eradicate terrorism and every form of violence.

It is the very foundations of our Community which are being undermined — nor is it apposite to point out that these evils manifest themselves only in some countries and not in others, for the laborious experience of living together and looking together to the future teaches us that our misfortunes are shared.

Aldo Moro was murdered precisely because of the ideals which he fought to defend throughout his long and industrious career — which often encountered opposition but was certainly fruitful — as teacher, politician and statesman.

In 32 years as a parliamentarian, he was elected eight times to the Chamber of Deputies, was Prime Minister in five governments, Minister of Education from 1955 to 1959, Foreign Minister from 1969 to 1974, for a long time political secretary of the Italian Christian-Democratic Party, and latterly its President.

The Italian Constitution, particularly the section which guarantees basic human rights and those of the citizen in a democratic society, bears the imprint of that Christian individualism upon which he based his vision of man, society and the State. This vision had its roots in, and drew strength from, a profound religious conviction consistently applied in everyday life.

He was at the helm of Italian politics in some of its most delicate and difficult moments — such as the transition from the centre coalition governments to those of the centre-left, i.e. to cooperation with the Socialist Party. More recently, just before the captivity which subjected him — in his own words — to 'total and unchecked domination' and led to his death he was faced with Italy's serious problems, including precisely that of suppressing violence, and succeeded in defining the scope for agreement among diverse political parties with a view to guaranteeing a wider consensus as a basis for government action, while at the same time safeguarding the individual iden-

President

tity of each of the parties and our pluralist concept of democracy.

He did not conceive of politics as static and empirical administration, but as a permanent readiness to foresee changes, to interpret them and to translate them into an overall political vision. A patient and able architect of political agreements he did not practise compromise for its own sake, but always managed to bring out the common ground of essential principles and values, foremost among which were the concept of the State, liberty, and the rule of law; and it was precisely the awareness of this common ground which made him a point of reference even for those who criticized some of his political choices.

His caution was often regarded as slowness, and his realism sometimes interpreted by the impatient as uncertainty, and by the over-cautious as acquiescence in foolhardy plans.

Aldo Moro regarded his readiness to hear out his opponent or his critic as a means of enriching his personality, a practical expression of tolerance, and as a mark of his respect for the opinions of others, which he countered with the lucidity and convincing force of his logic.

He was undoubtedly, a major figure on the world stage. In this House we wish particularly to commemorate Aldo Moro as a European. It was not merely occasional attention in the fulfilment of his duties as Foreign Minister and Prime Minister which he devoted to the European cause, but his own European beliefs which were an essential part of his political concept.

To recount his activity at European level would be going beyond the purpose of this tribute. I should like simply to recall that he had a vision of European integration which was neither opportunist, nor narrow, but central and wide-ranging.

Let us listen to his own words. In a speech to the Italian Chamber of Deputies, he said:

Europe is the salvation of our countries, but it will also be of help for the balance of power in the world and for an effective policy of détente and peace... Such a balance requires the unity of Western Europe and will benefit both others and us.

In another speech he said:

As to the basic aims of European integration, it can be said that European Union must have a quintessentially political character and must concern itself with the problems and everyday life of the peoples which make it up, as benefits a group of unified peoples striving for political unity and with a common resolve to speak with a single voice.

On another occasion, at the European Council meeting in Luxembourg, he said:

Italy accepts the stage of European Union as a milestone in progress towards... 'true'... 'political and economic'... unification. The Union cannot in fact be

envisaged as the coexistence of parallel and disparate political and economic structures, but must be seen as a concept inspired by principles of conciliation and balance. If these are negated the uncertainties of the future cannot be resolved, nor the fruits of this Union harvested.

This far-seeing vision of a reality which is still far from us, but which is firmly rooted in the faith and the hopes of the founding fathers of Europe, and in a truly crusading Europeanism, reminds us here in this House that we must continue resolutely towards a Community of States in which, to borrow once more Aldo Moro's words, 'our cultures, our economies and our political conceptions must advance together, directed by the inalienable conviction shared by all Europeans that man is the true protagonist of civilization and history.'

Ladies and gentlemen, Italy mourns over the barbarous murder of one of its most influential leaders; Europe has lost one of its most convinced and authoritative architects; the Moro family has been irremediably afflicted.

I am sure I speak for the entire House in expressing to Aldo Moro's family our respectful and discreet, although profound and sincere sympathy in the grief which they are bearing with calm fortitude. And to Italy, which has experienced in its highest institutions, in its political and social forces, and in its most widespread popular feeling, the dramatic episode of the firm defence of its constitution and laws against terrorist attack and of the loss of such an eminent leader, we express our heartfelt solidarity and the hope that, both in Italy and in Europe, terrorism and violence will be firmly combated and defeated, and that the values of Christian humanism which are the basis of European civilization will be strengthened.

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

Mr Fellermaier. — (D) Mr President, ladies and gentlemen, the Socialist Group in the European Parliament mourns the loss of Aldo Moro. It extends its sympathy at this difficult time to his long-suffering family, his colleagues and the whole Italian people. We all mourn the passing of an internationally highly-esteemed statesman and politician, who made a decisive and unforgettable contribution to the political life of his country and to the international political scene over a period of many years and in numerous positions of responsibility. Above all, though, we mourn the death of a human being who was a committed European politician and a democrat to the very depth of his soul. We, and all democrats, are united in our indignation at this cold-blooded murder.

The Rome kidnapping and murders were directed in the first instance at their immediate victims, but at the same time against our liberal society as a whole — indeed, against any form of human society — and as

Felleramier

such are directed against every single one of us. Nothing could be more erroneous than to regard the murder of Aldo Moro and his bodyguards as a purely Italian matter. We know that terrorism is nowadays organized and carried out on an international basis, and at the very time when Europe is embarking on the laborious process of unification, the Rome murders are meant to strike at and weaken our whole democratic society. There can be no doubt — and let us be quite honest about this — that all our countries and societies have many, many weaknesses and often give cause for justified criticism. This is also true of Italy. But let us state just as forcefully that murder and imposing one's demands by violent means, cynically allowing for the loss of human life, can never be justified, no matter what the circumstances and no matter what the stated aims. In the long term, international terrorism stands no chance, because it is opposed not only by the will of governments, but also by the will of the democratic, international community. Governments, which the terrorists regard as impotent and which they aim to undermine, are by no means helpless and paralysed with fear. Ultimately they will defeat terrorism, because our peoples are united in their abhorrence of this terrorism.

At this time of mourning, however, we must disregard all philosophical and party political barriers and spurn terrorists and demagogues, to show that the unity of all democrats in the European Community and beyond is stronger than this cowardly, cold-blooded murder.

In the last few weeks, while we and all our fellow-citizens in our various countries have shared the same hopes and fears about the life of Aldo Moro, the consciences of those in responsible positions in Italy have been sorely tried. We felt and still feel a sense of absolute solidarity with all of them, from the ordinary policeman to the country's top politicians. The general feeling of insecurity resulting from these acts of terrorism is liable to lead to either extreme anger or a profound sense of helplessness. We therefore declare our commitment to the solidarity of all European democrats in the face of the terrorist threat. The Socialists of Europe will play their part in all the Member States of the European Community and accept their share of the responsibility, so that whatever steps are necessary can be taken in the fight against international terrorism.

The European Parliament, the parliaments of our Member States and our governments, acting as the representatives of a free and democratic Europe, can do no more in this ceremony of remembrance here in Strasbourg than to solemnly commit themselves to do everything in their power to ensure that Aldo Moro and the murderers' other victims did not die in vain. Solidarity in mourning must grow into solidarity in action in the face of the terrorist threat. The death of Aldo Moro places all of us under a lasting obligation.

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

Mr Klepsch. — (*D*) ladies and gentlemen, the Christian-Democratic Group, the Group of the European People's Party in this House, deeply mourns the death of Aldo Moro. Aldo Moro was one of us, and we thank all those who — like us — see in him a common symbol of the principles of liberty and democracy, who honour his memory and who mourn his passing.

For us, Aldo Moro personified in exemplary fashion the ideals on which our political thinking is based. He was a man of reconciliation, peace and rapprochement, and was blessed with the unusual gift of being able to bring people together and to find solutions even in difficult and critical situations, solutions which were marked by the spirit of reconciliation in the interests of peace and stability.

Aldo Moro always took an unerring stand for the principle and practice of human rights and for the protection and preservation of human dignity. It is all the more shocking, that it was he who fell victim in such a terrible way to the fact that in our peaceful — but only superficially peaceful — society there are still elements for whom the whole idea of respect for the individual and for human dignity is utterly meaningless. The suffering he had to endure and his murder clearly show how far we still have to go before this basic principle is universally recognized.

Aldo Moro regarded the unification of Europe as a lasting solution to problems of this kind and he did an enormous amount to further this cause. He was a statesman of historic dimensions. Not only Italy, but also the peoples and states of Europe and the European Community will derive lasting benefit from the work to which he contributed and which he initiated and directed.

His death is, for us, the kind of martyrdom that a politician must suffer for his convictions. He stood up for the cause of the Italian people, for his own ideas and for his colleagues both in his own country and on the international scene, and his sufferings were a direct consequence of this commitment. That is why he was picked out, kidnapped and murdered — because he was and will remain such a steadfast symbol of respect for a free society and the desire to maintain and further develop it.

This means that it is now incumbent on us to work in close conjunction with all democratic groups and all democratic parties in the European Community to uphold freedom and democracy and to honour his memory by committing ourselves to the cause of peace, rapprochement and reconciliation.

Our peoples, our citizens therefore also expect us to take a determined stand against this terrible blow which has been struck by international terrorism and certain groups whose aim is the destruction of society as we know it. With their support we shall spare no effort to be worthy of Aldo Moro's legacy.

The memory of this great figure will help to point the way forward to a better future.

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

Mr Meintz. — (*F*) Mr President, ladies and gentlemen, it is a saddened and appalled Liberal and Democratic Group which joins in the tribute to Aldo Moro and in the unqualified condemnation of this cruel act of terrorism.

By an unfortunate coincidence Aldo Moro's kidnapping and barbarous execution both took place while the European Parliament was sitting. This brought to our notice most brutally the European dimension of this tragedy, for it is not merely Italy which has been attacked in the person of one of its most influential leaders, but the whole Community. From now on, no-one is safe from the fury of terrorism, and this realization must spur us to develop closer links across our national frontiers and transcending our ideological differences, to create a European judicial area and to organize the fight against terrorism. This realization must also stimulate us to pursue with greater commitment the goal of European Union, for in this field, as in many others, our success, indeed our salvation, depends on a genuine feeling of solidarity among our peoples, coordination of our national efforts and harmonization of our laws.

My Group hopes that Aldo Moro's martyrdom will prove a decisive factor in bringing about this qualitative leap. It would certainly be the best tribute we could pay to him and the best way of ensuring that his martyrdom was not in vain. We pay tribute to the determination and courage which the Italian Christian-Democratic Party, government and people have shown in facing this harsh ordeal.

The Liberal and Democratic Group pays tribute to Aldo Moro, a great European whom the Community counted among its most eminent Presidents-in-Office and one of those who showed most respect for constitutional and parliamentary rules. We offer our most sincere condolences to his family.

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

Mr Yeats. — Mr President, on behalf of the Group of European Progressive Democrats I also wish to offer our deep regret at the tragic death of Aldo Moro. We all knew Premier Moro as one of the great figures of world democracy. He was loved and respected, not merely in Italy, but also in those numerous countries that he visited during his long and distinguished career. What is one to say, Mr President, of those who would commit such a deed? They fight for no cause. They seek the achievement of no ideal. They do not aim to advance in any way the cause of humanity. Their sole ambition is destruction. Those characteristics of Aldo Moro that made him such a beloved figure, his nobility, his idealism, his total dedication to the democratic cause, these were the very characteristics that impelled his enemies to destroy him. At this

sad moment one sympathizes deeply with the family of Aldo Moro and with the Italian people as a whole. Their loss is an irreparable one. We know that nothing can replace this great man who has gone from us but perhaps, even from this tragic event, some ultimate good may come. The killing of Aldo Moro was an attack on the democratic way of life, not merely in Italy, but in Europe as a whole. We can best honour the life and work of Aldo Moro by pledging ourselves anew to that democratic cause to which he himself devoted his entire life, and for which this week he died.

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

Mr Scott-Hopkins. — Mr President, I wish to follow others in extending our profoundest sympathy to the family of Aldo Moro, to his country and to his party. I did not have the honour of knowing Aldo Moro — that was my loss — but I do know of his reputation, as a statesman, as a politician, and of the great benefits that he has brought to his country over the years during which he has worked assiduously, for the furthering of democracy and freedom throughout Europe. With his death, Italian politics have suffered a grievous loss at a critical time; so indeed, have European politics. His career has stretched back over these crucial years, in which he has been one of the leading representatives of his country. We can only hope that Italy's leaders will maintain successfully the spirit of cooperation which he fostered so well. A great English writer in the 17th century, John Donne, once wrote, 'Never send to know for whom the bell tolls; it tolls for thee'.

This crime in Italy concerns more than just the Italian people: it touches the whole civilized world. It will be remembered as one of the dark events of our twentieth century. And for us here now, it stands as an important reminder that, no matter what technological advances, no matter what social and economic improvements we may take pride in, our society, our European society, is still one in which primitive and violent elements are at large. The death of this great man, Aldo Moro, is one of those, I hope, rare events which remind us of the distance we still have to travel before men cease to resort to violence as a means of changing society.

I ask myself, Sir, what can we do to commemorate Aldo Moro. I would suggest two things. First, we can in our own countries, support all efforts to combat terrorism — this monster of our twentieth century and the international disease of our time. Secondly, we as Parliamentarians, can do our utmost to ensure that political violence never succeeds and that its perpetrators are severely punished. Sir, we mourn with you, and we join with you in sending our condolences to the family of Aldo Moro, to his party and to his country.

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

Mr Sandri. — (*I*) Mr President, ladies and gentlemen, following the call for simplicity which you, Mr President, addressed to us, we should like only to express to this august assembly the strong feelings, considered thoughts and commitment of the Italian Communists and of our Group.

We have bowed and we bow once more to the memory of a great statesman whose work left its mark, first and foremost, on the last 30 years of Italian history through his involvement in the drafting of the republican constitution and in many other ways up to the events of recent weeks.

Let us not be deceived by the rhetoric: he opposed us and we opposed him with mutual fairness for many years. But as an adversary he was open to the spirit of the age, to a sense of history and to the overriding needs of our country, our continent and the world.

The massacre of his escort and his kidnapping occurred — as you, Mr President, recalled — on 16 March, the day on which the Italian Parliament was to start the debate on, and sanction the formation of, a new majority extending from the Christian Democrats to the Socialists, Communists, Social Democrats, and Republicans, which was intended to reflect the heightened awareness of national interests at a time such as the present — that broad national majority which Aldo Moro, with his spirit of tolerance, his intelligence and his abilities as a mediator had sought to achieve.

I should like also to recall that his body was left with ferocious derision like a blind challenge only a short distance from the headquarters of the Christian-Democratic Party and from those of my own party — a ferocious and blind challenge to the mutual understanding and tolerance and to the national effort which are now required of the Italians.

Thus, ladies and gentlemen, we combine tribute to his memory with respectful sympathy for the suffering of his family, and sincere solidarity with the party which has lost its leader and which, during this time of crisis, to avoid any indecisiveness and thereby contributed, like the other constitutional forces and to a greater extent than they, to the dignity which the Italian Republic, although badly hit, was able to display by rejecting any negotiations with a gang of murderers.

What has occurred is too serious for us, the parties of government and of opposition, not to stop and consider — without mean attempts to derive political capital, without seeking to pass the buck, which would be intolerable — how such a thing could have happened in Italy, and what measures we must take on the one hand rigorously and severely to suppress crime, and on the other to get to the roots of the

problem. These are undoubtedly specifically Italian problems but, as all the preceding speakers have rightly said, they are not purely Italian, because a blow aimed at one country strikes at the whole Community; moreover, this sinister, obscure evil can spread and indeed is already spreading, and therefore requires consideration going beyond our borders, joint consideration by all our countries. Naturally this is not the place or the time to try to begin such consideration. But allow us to express the commitment of our party. The immediate future in Italy will be difficult, as we know. Let us have no illusions: we are not dealing merely with an insensate but limited outbreak of criminality, we are dealing with a ruthlessly detailed plan to overthrow democracy. Therefore, at this time of grief, our commitment must be to fight to make the Italian people's democratic choice irreversible and to ensure that this evil is fought with the law and within the law, but without in any way condoning, tolerating or giving way to crime.

These tragic events represent a challenge. We have taken it up and intend to meet it, so that liberty may survive, so that our republic, the Italian Republic may also survive.

President. — I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Mr President, this House is today united in its spontaneous desire to pay tribute to the life of President Aldo Moro, and at the same time to express our horror at the bestiality of his death. Over the last few years, terrorist incidents — some of them occurring in nearly all our Member States — have disfigured what is still, to a far greater extent than at most times in our history, the predominantly peaceful landscape of Europe. It is the very quality of this landscape which is resented by the perverted irrationalism of terrorism. We have occasionally, perhaps, been in danger of learning to live almost too easily with terrorism. That is not so today; of all the terrorist incidents which we have witnessed, none has so seized the shocked attention of the 260 million citizens of the Community as the extended tragedy of President Moro's suffering and murder. Out of that may come a new sense of unity and resolution.

We remember President Moro today as a man and as a statesman. In the profound sympathy which we send to his wife and his family, we underline his human qualities and human sympathy, in recalling his long and distinguished service to the Italian people, and his example, even in the tragedy of his death, of public duty. We mark our respect for his political leadership, and we send a message of solidarity to the Italian nation, of which he was such a notable servant.

But he was also and at the same time a leader of European opinion, committed to the ideals and aims for which the Community stands. An ever closer union of

Jenkins

the peoples of Europe cannot be simply founded on the prospect of mutual economic advance, but must also be founded in a lasting determination to preserve our democratic values and enhance the lives and liberties of our peoples. President Moro's murder challenges the Community to respond to the common courage and purpose so that out of the tragedy of his death can come a rallying point for the values for which he gave his life. All of us who cherish democracy and the rule of law, have a duty to ensure that these values do not perish.

President. — I call Mr Granelli.

Mr Granelli. — (I) Mr President, it is with deep emotion that I wish to say a few words on behalf of the Members belonging to the Italian Christian-Democratic Party, and of the Party as a whole, to express our thanks for the sympathy which you, Mr President, and all the political Groups have once more shown us at this time.

Our country is going through a difficult period. For months Italian society has been stained with the blood of innocent victims who have paid dearly for their devotion to the principles of social harmony and the rules of law, and I wish to commemorate here, not only the influential leader of our party Aldo Moro, who was an eminent statesman and a convinced European, but also the policemen who defend our institutions, the journalists, judges and all the free men in our country who have risked their lives to defend our common values.

Mr President, ladies and gentlemen, we are sure of one thing — that in this battle Europe is with us and we are with Europe, and that only together can we face up to the explosion of irrationality, violence and barbarism which motivates the perverse and destructive plans of the terrorists. They have struck down the man who was our most eminent leader, but not merely a political leader — a man who believed in tolerance and dialogue, who wanted a society of free men finding in liberty the justification for their diversity, as opposed to the kind of society desired by the terrorists, consisting of men living in enmity one against the other, all against all, so as to destroy the rules of social harmony.

I am convinced of one thing — that if we all wish to be worthy of the memory of Aldo Moro which we are honouring in this Parliament, we shall have to fight; barbarism, violence and terrorism may stain the daily life of our countries with blood, but they cannot survive and they cannot pass the test of history, which will be marked in Italy as in Europe by the values of legality, freedom, and that social harmony for which Aldo Moro fought and to which we shall continue to uphold our commitment.

President. — The proceedings will now be suspended until 11.00 a.m.

The House will rise.

(The sitting was suspended at 10.55 a.m. and resumed at 11.00 a.m.)

IN THE CHAIR : MR MEINTZ

Vice-President

President. — The sitting is resumed.

2. *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.

3. *Documents received*

President. — I have received the following documents :

a) from the committees, the following reports :

— report drawn up by Mr Andersen on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation on a common interim measure for restructuring the inshore fishing industry (Doc. 115/78);

— report drawn up by Mr Herbert on behalf of the Committee on Agriculture on the proposals from the Commission of the European Communities to the Council for

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

II. a regulation relating to the Northern Ireland Milk Marketing Board

(Doc. 116/78);

b) from Sir Brandon Rhys Williams :

— an oral question with debate (Doc. 120/78) to the Commission on the economic aspects of the system of MCAs;

c) from the Commission :

— a letter concerning the maximum rate of increase of non-compulsory expenditure in the budget of the European Communities for the 1979 financial year (Doc. 119/78),

which has been referred to the Committee on Budgets.

4. *Regulations on monetary compensatory amounts and representative conversion rates*

President. — The next item is the joint debate on — the second report (Doc. 102/78) drawn up by Mr Tolman on behalf of the Committee on Agriculture on the

proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 974/71 as regards the price level to be taken into consideration for the calculation of monetary compensatory amounts ;

— the report (Doc. 104/78) drawn up by Mr Hoffmann on behalf of the Committee on Agriculture on the

proposal from the Commission of the European Communities to the Council for a regulation relating to the fixing of representative conversion rates in agriculture.

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

Sir Brandon Rhys Williams. — Mr President, I would like to say a few words in my capacity as rapporteur for the Committee on Economic and Monetary Affairs, since we are in some difficulty, and I have been approached by a number of colleagues in the Committee on Economic and Monetary Affairs about the oral question with debate which has been tabled on the economic aspects of the system of MCAs. In today's agenda it is stated in a footnote that this oral question with debate does not figure as such on the agenda but will be included in the debate today. Unfortunately the document was not available in print until this morning, and we feel that it is unfair to the members of the committee and unfair to the plenary session, but in particular that it is unfair to the Commission, to ask for a reply as early as this on questions as complex as are raised in our request for an oral question with debate. May I therefore, on behalf of my committee, withdraw this question, or at any rate request that it should be taken in June, or at some subsequent part-session, because we do not think that it will be fruitful if we attempt to cover these questions this morning?

President. — Are there any objections to the proposal that the oral question (Doc. 120/78) by Sir Brandon Rhys Williams should not be included in the debate about to take place but postponed to a later part-session?

That is agreed.

I call Mr Tolman.

Mr Tolman, rapporteur. — (NL) Mr President, I should like to give a brief introduction to the matters dealt with in this report, which — as everyone knows — are of a very serious nature. This whole question goes back to 1969, and to the repercussions of the devaluation of the French franc and — in part — of the revaluation of the German mark. We have now got ourselves into a difficult position as a result of the system which was set up at that time.

At the present time — and let us be quite frank about this — there are no longer such things as common prices — they are nothing but a sham. Price differences amounting to 40 % have been mentioned, in addition to which this system has become a millstone around the neck of the EEC. There are even people who refer to it as a time-bomb.

Mr President, I think we are all agreed on the need to dismantle the system of MCAs and that we should — in the short term — seek a reduction in the MCAs. The question is — and this especially true of the proposals which are up for discussion today — how we should go about doing this. The report submitted in my name concerns in particular the proposed change in the basis on which the MCAs are calculated, so that (and this refers particularly to pigmeat) they will no longer be based on the intervention price, but on the cereals element.

The Committee discussed the question of whether the consequences of this move can be fully appreciated. After all, it would be a matter of choosing one of two ways, and what path would we be treading if we were to adopt this course? Even the Commission's proposal says that we must be cautious, that the risks must not be underestimated, that each case should be judged on its merits, that the practicalities are anything but clear and (I can go even further) that the financial repercussions are imponderable. Clearly then, there are sizable question marks hanging over the whole matter. Over and above this, there is the fact that, in addition to the submission proposal to change the basis of calculation, the suggestion has been made that the monetary compensatory amounts should be dismantled over a period of seven years.

Well, the fact that we were faced with a choice of paths to tread had a great effect on the attitude adopted by the Committee on Agriculture. Clearly, a complex path strewn with pitfalls and unanswered questions will not be taken just like that. To call it a 'leap in the dark' is perhaps going a bit too far, but it would undoubtedly result in a good many ups and downs and a good deal of uncertainty which would be felt in particular by the Benelux countries, who have got into a precarious position under the present price policy. Clearly a choice will have to be made — either we proceed with the automatic elimination of MCAs at a fair speed, or we choose to modify the basis of calculation. Alternatively, we could of course adopt some other as yet unknown method — but I would most emphatically advise against this course of action. In this very difficult field, we must tread the path of clarity.

Purely by chance, I read something from which I would like to quote and, naturally, to apply the moral of this story to the present case. In one of our agricultural journals, I read the following: 'The Lord's Prayer is 56 words long, the Ten Commandments come to 297 words, the United States Declaration of Indepen-

Tolman

dence 300 words and a regulation on the export of ducks' eggs to the EEC 26 911 words'.

This is a warning to us, and the moral of the story is that we must opt for a clearly-defined system, which means that we must reject the European Commission's proposal. This was the view taken by the majority of the Committee on Agriculture, who concluded that we must seek to establish the unity of the market as quickly as possible and, in particular, that this should be done by way of the system of monetary compensatory amounts.

Mr President, we feel — and, as rapporteur, I think I should make this quite plain — that the European Commission must summon up the courage to adopt the course of the rapid and automatic elimination of MCAs, and not choose the murky and obscure alternative path.

President. — I call Mr Hoffmann.

Mr Hoffmann, rapporteur. — (D) Mr President, what we are talking about today — and what my report is concerned with — is the question of monetary compensatory amounts, or MCAs. This is certainly not the first time this House has dealt with this subject; indeed, you might say it was something of a perennial preoccupation of ours, although the House seems to agree on the principle of the matter. We are in favour of the MCAs being progressively eliminated. But every year we get the same political hassle. As soon as a concrete proposal is made, strong reservations are expressed, and I somehow get the feeling that we are quick to agree on matters of principle, but that we find it painful to draw the obvious conclusions.

Now the Commission has sallied forth once again and proposed a formula for eliminating the MCAs. I trust I can save myself the trouble of going over once again how the MCAs came into existence, how they became more and more a permanent feature of the landscape and what efforts have been made to get rid of them. Only one thing is clear, and that is that when the MCAs were created, they were intended as a temporary expedient, designed to compensate for a certain degree of friction in the agricultural system. Now, however, they have become a permanent or petrified element which not only no longer fulfils the original function but actually leads to distortions in agricultural trade. The principle is thus generally accepted that these MCAs must be eliminated.

The Commission has produced a proposal providing for the elimination of MCAs over a period of seven

years. This is generally referred to as an automatic mechanism, but this of course is not quite true, because a political decision will still have to be made every year. So adopting this proposal today does not necessarily mean that the seven-year period will be adhered to from the word go. I realize of course that reservations have been voiced from various quarters, although they are usually expressed sotto voce.

One objection to the proposed changes is that those who have hitherto largely benefited from this system are of course loath to see it dismantled at a rate of knots. That is hardly surprising. On the other side of the coin, certain organizations with vested interests are claiming that this seven-year period is much too short, whereas others take the view that it must be reduced to three years at least. We shall never reach any solution if we try to accommodate both these points of view. So a compromise was reached in the Committee on Agriculture, which provided for the acceptance in principle of the Commission's proposal and support for the Commission's efforts to dismantle — at long last — the MCAs. The Committee on Agriculture — and, I hope, the whole House — shares the Commission's opinion that this problem must be solved as quickly as possible. On the other hand, we in the Committee on Agriculture have worked out a formula which should enable those who want to see the MCAs dismantled more quickly to agree to the report. The relevant passage in the report says that :

The Committee feels, however, that Member States wishing to dismantle existing or newly created MCAs more rapidly should be able to do so.

In other words, the seven-year period is to be regarded as a maximum. It must of course be made possible to dismantle the MCAs over a shorter period.

We incorporated one more subtle difference, and that is that the question of the MCAs should be dealt with every year in conjunction with the annual price review. I think it is a sensible move to combine these two elements. But we did add the rider that the countries with depreciating currencies should be free to adjust their MCAs on a six-monthly basis. This, too, is intended as a concession to the special problems advanced by the countries concerned.

Finally, I should just like to say that we shall be stuck with this basic question of monetary compensatory amounts for as long as there are general currency difficulties. In other words, even if the Commission's proposal were to become reality, MCAs will always be with us until such time as we agree on a common position *vis-à-vis* monetary policy. And so I fully realize that the basic question of monetary compensatory amounts is intimately connected with the problems of economic and monetary harmonization.

Hoffmann

I call on the Commission to continue its efforts, and I hope that today's vote will give the political backing of this House to those efforts.

President. — I call Mr Früh to state the opinion of the Committee on Budgets.

Mr Früh, draftsman of an opinion. — (D) Mr President, ladies and gentlemen, it was only natural that the Committee on Budgets should have gone into this question in great depth, in view of the worryingly large proportion of budgetary expenditure taken up by the monetary compensatory amounts, a proportion that has been increasing in recent years. It is common knowledge, though, that this rise in the MCAs is connected with the green exchange rates, which have gone completely haywire, in turn reflecting the widely varying rates of inflation in our Member States. You will not be surprised to hear then that one of the Committee on Budgets' main concerns is to bring about a reduction in the MCAs. The Committee feels — and this is set out in our opinion — that it should be left largely up to the individual Member States to decide how rapidly this reduction can be made. The Committee also points out — and I think this is an extremely important point and one which will be decisive in winning over all the Member States — that, during this adaptation process, no country should be placed in a position where it may even have to cut prices. This is therefore the limit which the Committee on Budgets has set in this case.

The Committee goes on to say — and I take this to be the vital, central point of the argument — that these MCAs must be viewed in an overall context which brings out the fact that the real problem lies in the unsatisfactory progress made towards economic and monetary union, and that the MCAs should be regarded as a means of pursuing an advanced agricultural policy in a Europe which otherwise remains essentially unintegrated. The Committee on Budgets regards the lack of progress made towards economic and monetary union as the real evil, and deplores this state of affairs.

The Committee on Budgets therefore feels that — for the reasons I mentioned earlier — it cannot accept this year's proposals in the form in which these three proposals have been submitted, and is particularly opposed to the automatic system provided for in the final proposal. Although many people regard the introduction of the European Unit of Account as a helpful measure, the Committee points out that such a move cannot be regarded as a general panacea.

To sum up, therefore, the Committee on Budgets rejects the proposal in its present form, in other words, with the automatic mechanism. It is, however, in favour of progress being made in this field in the context of an overall economic and monetary policy.

Perhaps I could just touch on one other question in conclusion. We welcome Mr Jenkins's initiative in focussing attention on monetary union. We also welcome the fact that monetary union figures so prominently in the last meeting of the European Council. So what, now, about putting these ideas into practice? Mr Hoffmann referred earlier to the convenient formula for the dismantling of the MCAs. I regard a formula leading to monetary union as an urgent and essential measure, because these MCAs will then be seen as a step towards a policy which we all welcome and which — when it eventually becomes reality — will enable MCAs to gradually disappear from the scene.

President. — I call Sir Brandon Rhys Williams to present the opinion of the Committee on Economic and Monetary Affairs.

Sir Brandon Rhys Williams, draftsman of an opinion. — I need not speak at length Mr President, because my committee is still awaiting the replies on the economic aspects of the MCA structure which will enable us to have a much more penetrating and better-informed debate in due course, and we do not wish to trespass on the fields already covered by the Committee on Budgets or the Committee on Agriculture. We prefer to try to investigate the green currency system from a strictly economic and monetary viewpoint, and on that we do not feel that we have the data that we need in order to form conclusions. On Mr Tolman's report, therefore, I can say that we join in rejecting the recommendation of the Commission, not because we are hostile to its intention, but because we feel that it is a deviation from the objective, which is the primary one, to resolve the anomalous situation which undoubtedly exists as a result of the creation and perpetuation of the green currency system. In regard to the report by Mr Hoffmann, our committee took this view: the Commission's new proposal is an improvement on its earlier one, but the application of upper limits to the amount of each annual adjustment could well have the effect of prolonging the present anomalous situation indefinitely. But some method should be found of ensuring that the formula to be adopted contains a feature which would guarantee the end of the green currency system at the end of a specified period of, say, 10 years, even in the case of countries whose currencies continue to slide in value at a rate beyond the average of the currencies of the other Members.

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

Mr Hughes. — If I might start with the Tolman report, my friend, Mr Hoffmann, has put down in the name of the Socialist Group an amendment which would approve the Commission's proposals on the

Hughes

Tolman report as opposed to his position. This we argued in the Committee on Agriculture, and it is at two levels. The word has already been used by Mr Früh that there is an element of 'fiction' in the MCAs. There are, in fact, a whole number of elements of fiction in the MCAs, but one of the crucial fictions in this area is that too frequently they are based upon an intervention price which bears little or no resemblance to the market price or prices operating within various Member States. It has already been stated that there is now no common price for almost any agricultural product within the Community, and that to fix the amount of MCAs on the fiction of an intervention price constant across the currencies which is never, or hardly ever, applied except for calculating MCAs — it never enters into realities of commercial activity — seems to us to be unrealistic. One of the steps of removing one fiction would be to accept the Commission proposals rather than the position of Mr Tolman and my other colleagues in the Committee on Agriculture who would wish to reject the Commission's proposals. We would therefore, when we come to the vote later today, be moving that amendment and hoping for the support of the House to agree with the Commission's proposals in so far as they deal with the Tolman report on the basis for calculating MCAs in certain products.

When we turn to the Hoffmann report, the position of every Member of this House is, I think, quite clear: they are against MCAs as they are against sin, but they continue, as national governments, to want to be sinners too frequently. There are too many national advantages present in the existence and maintenance of MCAs for them to be readily dismantled. If one takes a mechanistic proposal, as some of this is, what one risks is that by the mere fact of dismantling one MCA you create a greater distortion in the actualities of inflation and deflation, — you create the need to have another one. Take the example of the United Kingdom, if you were to abolish the existing MCAs, of whatever per cent they now are, the impact on inflation would be such as once more to increase the divergence between the United Kingdom and other countries' rates of inflation to the point where, over a short period of time, the imbalance would again have to be corrected, and you would create new MCAs which in time would have to be corrected again and again. In the Committee on Budgets' proposals, I note that they are fearful of this sort of mechanistic manner of approach. This is why I greatly welcome the rather softer wording in my friend Mr Hoffmann's report, where he looks and keeps in the 5% cut-off proposal and sees the possibility of being more flexible in the way any national government may wish to deal with future MCAs.

But at the heart, beyond that fiction, there is the fiction of the agricultural unit of account itself, which is the greatest fiction of all. The thought that the

calculation of MCAs should be continually based upon the accident of those currencies that were in 'the snake' at a particular time seems to me untenable. It is noteworthy that everyone is again in favour of moving to the European unit of account for agricultural purposes but, because of the complexities and the difficulties that this would involve, they are reluctant to move too quickly towards it.

If you propose the dismantling of MCAs as calculated on the one basis of 'the snake' currencies and the agricultural unit of account over a 7-year period, you might well change the whole basis — and one wants to change the whole basis — in a much shorter time the European unit of account. Now, the political implications of what you do at the point of change-over are enormous. If did this according to one of the hypotheses proposed in the Commission document one would suddenly find that the United Kingdom's MCA comes down to some 8% or 9% and the German positive MCA goes up to 30%. That is a very difficult and different political problem for the Community and its Ministers from the one being faced at the moment. You have a set of calculations based upon a series of fictions and the idea that these fictions can be removed in a period of under 7 years seems to me unrealistic. The damage done in the various countries, notably in Great Britain but elsewhere, to the farming interests in the strong currency countries by a too rapid dismantling of MCAs would be very considerable. The damage done to the retail price index in countries like my own, by a too rapid dismantling, would be fierce and unacceptable to too many people.

One is told repeatedly that the MCAs cause distortion. The difficulty is that after they have been in existence for so long, they have become the basis upon which much investment in farming has taken place, the basis upon which much of the trade in agricultural products now exists, and the distortion has been now so built-in to the agricultural economies of the various Member States as to become difficult to remove without further distortion. Over the 7 years therefore, an expansion in German agricultural production has taken place, part of which depended upon the existence of MCAs in countries like Britain. Only thus could Germany become the major agricultural exporting country because its farmers could receive settled prices which enabled them to export, and the consumers in the other countries could afford to buy the products because they were subsidized. If this pattern of agricultural product and agricultural trade were tampered with and destroyed too quickly, I feel it would cause yet more distortion and more disturbance on the market than it would resolve.

I see the Hoffmann report as one that is trying to get away from the purely mechanistic — every 6 months, every year and so forth — towards a more flexible arrangement. I entirely agree that it must be arranged

Hughes

within the whole framework of the price package, and I hope that before the end of the day the Commission representative could inform us whether the Council of Ministers have got a price package this morning or not. It would be very helpful to know that, particularly when we come to debate the next topic. We know that they are still meeting but if we suddenly find that this debate is meaningless because they have already said at the Council of Ministers: 'we cannot do it, except on an *ad-hoc* basis', then this very entertaining debate does not really affect anything. Therefore, I hope the Commission representative will inform us whether we are debating reality or a Council plan that has already gone some other way.

In conclusion, the Socialist Group rejects the crucial first paragraph in the Tolman report and welcomes the move to reality on the part of the Commission in basing the MCAs in certain sectors on market rather than intervention price. On the broader subject of the methods of eliminating MCAs themselves, we are interested in the early adoption of the European unit of account for the whole of the agricultural sector, and therefore we hesitate in being whole-heartedly in favour of the existing proposal. The modifications that are outlined in the Hoffmann report receive our blessing and our support rather than the more rigid mechanistic procedures envisaged by the Commission.

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

Mr Dewulf. — (NL) The Christian-Democratic Group is in the happy position of being able to steer an easy course through these difficult waters, since the rapporteurs accept the motions for a resolution contained in the two reports and reject the amendments which have been tabled. We find the amendment to the Hoffmann Report rather unrealistic and, as far as the other amendments are concerned, I shall go on to say why we are loath to take the risks which the Commission warns against in its own explanatory statement in connection with this strange system of *ad hoc* fixing of MCAs in certain cases. But let me begin by thanking the two rapporteurs and the draftsmen of opinions, whose reports impartially and unemotionally reflected the discussions which went on in the Committee on Agriculture. I commiserate with the European farmer in his attempts to find some clarity and even some credibility in the labyrinths of monetary disorder and cheating which plagues the agricultural sector.

I should also like to say that I wholeheartedly go along with Mr Hughes' remarks. I hope this will not turn out to be a 'fictitious' debate. It would indeed be interesting to know whether the Council's deliberations and the dialogue between the Council and the Commission on this question are still in progress.

And I should like to ask the Commission point-blank whether it still sticks by this proposals — as requested by two governments — to calculate the MCAs on an *ad hoc* basis. This proposal has been around for more than a year now, and I really wonder whether the Commission itself is concerned about getting Parliament's opinion.

But I wanted to begin with a few remarks of a political nature, remarks which deserve to be made as clearly as possible. If we want to save the Common Agricultural Policy, the first step must be to resolve the current monetary disorder. It is not the agrarian sector which is responsible for the monetary situation in agriculture, and neither is the Common Agricultural Policy responsible for the current chaotic conditions on the monetary scene. On the contrary, it is the weakness of our governments on questions of monetary and budgetary policy which has led to the basic principles of the Common Agricultural Policy being jeopardized. Clearly, monetary strains of this magnitude between weaker and stronger currencies can completely undermine the structure of the market and obscure the true market relationships. We shall therefore be voting for Mr Hoffmann's report and motion for a resolution, but we simply do not have the situation under control, everything can easily go wrong again within seven years or even sooner. There may also be a sudden turn for the better if we succeed in striking a better balance between changes in exchange rates and in the monetary compensatory amounts, if we achieve greater monetary stability and if the Copenhagen talks really prepare the ground for a common monetary area, for which the 'snake' has provided a modest example.

There is one thing which must be made clear, particularly to those from countries with weak currencies, and that is that the partial monetary stability that the Community has enjoyed is thanks to the cooperation between the strong-currency countries by means of the 'snake'. This is not fiction but — thank heaven — reality, a reality which, however, is all too frequently against the farmers' interests when it comes to the practicalities of agricultural policy in the Member States, because other non-fictitious factors alluded to by Mr Hughes — such as inflation and rising production costs — are all too often to the disadvantage of the agricultural population in these countries. As you well know, this is one of the difficult points in the debate on agricultural prices from the Benelux countries' point of view.

We are therefore pleased to give our backing to the motion for a resolution contained in the Hoffmann Report. I do not want to make any categorical statement on the proposal for a seven-year period; no one could be expected to — after all, it is really nothing more than a target date. What we cannot accept is a

Dewulf

binding automatic mechanism, because — here again — no one has any control over the matter.

Fortunately, the motion for a resolution includes the proposal which incorporates our 'cut-off point', which in any case provides a genuine safety margin, but our Group particularly commends to your attention paragraph 7 of the motion for a resolution, and we should be particularly interested to hear the reaction of the Commission. We see two important elements in this seven-year dismantling period. In the first place, the annual adaptation must go hand-in-hand with, and take account of, the annual agricultural price review and the economic situation in each of the Member States. As far as we are concerned, this is no fiction, but rather evidence of political wisdom and realism.

Secondly, we feel that this will be of great advantage to those countries with weak currencies, because the motion for a resolution provides for these countries to get an opportunity twice a year at a fixed date to adjust their 'green' rates. This should serve to eliminate the danger we have now recognized — and which has soured up the whole psychological and political climate surrounding agricultural prices — that countries with weak currencies look to their interests first in devaluing their currencies — I refer of course to the devaluation of the 'green' currencies — and then, once they have feathered their own nest, play the great moralists at the next round of price negotiations, saying: 'Look here, with our present surpluses and given the situation on the market, we cannot afford a price increase of more than — say — 2 to 2.5 %.' This kind of self-service in price-fixing must of course be done away with. But we have — or at least we think we have — taken steps to help the weak countries by means of my Group's amendment which formed the basis for this part of the motion, without at the same time creating additional problems for the strong countries.

Mr President, I should like to move on now to Mr Tolman's report. Now then, let's not avoid the issue — let's talk about risks. We have developed a system, albeit reluctantly. As a result of the monetary disorders, the monetary compensatory amounts were the only way of saving the unity of the market. The essential elements of the market organizations and the market structures should not therefore be modified and I quote from the Commission's own explanatory statement, which says :

Any deduction from the intervention price, however, must be applied with great caution. We should not underestimate the threat to the proper functioning of the market organization which arises when the MCAs no longer bridge the differences in national currencies between the intervention prices applicable in the Member States.

The Commission's proposal reminds me a bit of flying through fog without navigational aids and, in

our opinion, embodies far more risks than does the present system. As politicians, we must be realistic and use the annual price review and this motion for a resolution on the dismantling of monetary compensatory amounts to take this safe way of improving the difficult monetary situation now facing the agricultural sector.

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

Mr Bourdellès. — (*F*) Mr President, ladies and gentlemen, the discussions taking place at the moment on agricultural prices have brought out to what extent the problem is distorted by the existence of monetary compensatory amounts.

Even more than under the weight of its own surpluses, agricultural Europe is today being crushed beneath the agri-monetary system. This system, composed of monetary compensatory amounts and 'green' exchange rates, was set up with the laudable aim of counteracting the effects of currency fluctuations on the common agricultural policy and of maintaining common agricultural prices at all costs.

For the sake of political expediency, the Member States — including my own — have usually chosen not to allow the fluctuations of their currency to be reflected in agricultural prices. The Community is thus in effect divided into seven monetary zones and European agriculture has an artificial system of conversion whose commercial effects are corrected, at least in theory, by the application of the MCAs. The latter are in fact a device which makes it possible to tinker with economic realities. They have the contradictory effect of operating to the advantage of farmers and to the disadvantage of consumers in the countries with a strong currency, whereas in countries with a weak currency they favour consumers and operate to the disadvantage of farmers.

In this way one ends up by encouraging agricultural production in countries which have no great agricultural vocation. This development is serious, for by thus doing away with the natural vocation of the various countries, one jeopardizes the production potential of the EEC whose *sole* wealth is agriculture. We need only look at the explosion in agricultural exports in some countries with a strong currency which, thanks to cheaper imports of raw materials, can produce at low cost and then benefit from export subsidies.

That is how the Federal Republic of Germany has become the main supplier of milk products to Italy. Foreign products are flooding on to the French market — particularly the meat of Dutch and German pigs fattened partly with French cereals on which an export duty was paid but whose import into those countries was subsidized. The situation is becoming impossible for French pigmeat producers.

Bourdellès

In the Netherlands, the market price in this sector is 377.4 florins per 100 kg. The Dutch trader benefits under the MCAs from an export subsidy at the Dutch frontier of 4.87 florins. After conversion, the produce costs FF 8.16 per kilo at the French frontier and benefit from a second subsidy (for import) of FF 1.30, giving a price of FF 6.86, whereas in France the market price is FF 7.42.

In this particular example, the compensatory amounts, far from achieving their aim of reestablishing market uniformity, give rise to a serious injustice. In the pigmeat sector the countries with strong currencies have got together with the aim of keeping their unjustified advantages at all costs.

That is why the Commission proposal to reduce the basis for calculating certain compensatory amounts, even if it does not get to the bottom of whole problem, is still relevant. It is not incompatible with the other more general proposal being debated by Parliament at the same time.

In contrast to the views expressed by our rapporteur, Mr Tolman, I therefore agree with the Commission's approach of wanting to modify the basis for calculating MCAs to take account of the industrial aspect of some products, particularly sugar, butter and powdered milk.

One must also take account of the fact that some products, particularly pigmeat, are partly produced from imported raw materials which are not subject to Community regulations. For these products, it is anomalous for the basis for calculating compensatory amounts to be set at 85 % of the basic price. It must be fixed at levels which take account of the industrial margin and of the contribution of imported products to the final product.

For pigmeat, for example, the abatement should be fixed at 50 % of the basic price.

I think, therefore, Mr President, that the Commission proposals, even if they are still too imprecise, are on the right lines.

At a more general level, I now turn to the problem of the progressive dismantling of the MCAs and to the report presented by Mr Hoffman. The cost of the MCAs is staggering — more than one thousand million u.a., which is 15 % of EAGGF expenditure. Our aim is therefore to abolish these MCAs as soon as possible.

Compared with previous proposals, the one now before us has the merit of being simple. It aims to reduce MCAs over a period of seven years by an automatic mechanism applicable in equal stages. But seven years is too long a period. The ideal, Mr President, would be a period of three years. One must however be realistic. Although a country like mine can accept it and wants them to be dismantled over three years, we cannot ask other countries to accept

such a short period, bearing in mind the serious repercussions which such a measure would inevitably have on the general level of prices or on the income of farmers in these countries.

That is why I shall willingly support, in the case of these countries, the proposal of the Economic and Social Committee to abolish the MCAs over five years.

The gap between the exchange rates is already 40 %. If it increases further, I don't know where we shall end up. Let us hope that we are at the beginning of a period of economic cooperation, as was stated at Copenhagen.

The absence of economic and monetary union means that a solid basis for the whole of European integration is lacking. The system of MCAs, which has saved the Common Agricultural Policy in the short term could well turn out to be a serious handicap if it were retained, as seems to be the present intention.

The distortions of competition will become intolerable if the MCAs continue to be applied over too long a period.

The income of livestock farmers is decreasing from one year to the next in the countries with a weak currency which will soon be forced to take unilateral decisions which may jeopardize the common agricultural market.

Demonstrations in rural areas of France are becoming more and more violent, and pig-farmers in particular cannot accept that their competitors in countries with a strong currency should benefit from a Community subsidy for their exports to France, while they themselves have to pay duties on exports to those countries.

How will the European institutions manage to get farmers to accept that, when their natural vocation has always been pig farming? How can one explain to them that they must reduce their activities, while other countries develop their own in this field, and when all the statistics show that Europe is a net importer of pigmeat?

For all these reasons, Mr President, ladies and gentlemen, my group is in favour of any technical measures which could be taken to remove in the short term the existing distortions of competition, particularly in the pigmeat sector, and calls for a more rapid dismantling of the MCAs than that proposed by the Commission.

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

Mr Liogier. — (*F*) Mr President, ladies and gentlemen, during the earlier debates on compensatory amounts, and particularly in the Committee on Agriculture, when we studied the excellent report by Mr Gibbons — which was not, however, discussed in plenary session — we never failed to indicate our

Liogier

serious concern about the principle and method of calculation of the monetary compensatory amounts.

We approved the aim of reducing these amounts as rapidly as possible, particularly when their continued existence, scope and cost directly threaten the cohesion of the Common Agricultural Policy, as is now the case.

The basic principles of the Common Agricultural Policy imply the existence of fixed exchange rates within the Community. The spread of currency floating has disturbed the mechanisms of this policy and made it necessary to create monetary compensatory amounts intended to remedy a temporary situation. However, the correction of monetary movements, which was intended to protect the Community's agricultural policy for a short period, has become so complex that farmers and industrialists now regard these compensatory amounts as obstacles to the expansion of Community trade.

The compensatory amounts could have proved to be a useful instrument for mitigating the short-term effects of exchange-rate modifications of reasonable dimensions.

Over a long period, the compensatory amounts have reintroduced widely varying producer and consumer prices within the Community. They increasingly escape the control of the administration, while allowing transactions to run considerable exchange rate risks. They have created distortions of competition within the agricultural sector by modifying traditional trade flows. Thus, as a result of compensatory amounts, French exports of agricultural products have dropped by about 20 %, with inevitable repercussions on our balance of payments, our agricultural incomes, the Community budget and the French budget. These distortions are, moreover, even more extreme in the case of food processing industries. Consequently, they accentuate the divergencies between European commercial structures.

We must return to an optimum allocation of resources within agriculture and the other sectors. The intolerable financial cost of compensatory amounts makes it necessary to revise the system of financing in such a way as to achieve greater fairness. Initially, we must begin to dismantle compensatory amounts rapidly, not over seven years as the Commission and Mr Hoffmann proposed in the report submitted to us today, but over three years, which in our view is an entirely realistic aim, contrary to what was stated just now. It is only in exceptional cases that the introduction of compensatory amounts for a specific agricultural products, and for a very limited period, can be envisaged. We must also see that an upper limit is fixed, in both absolute and percentage terms, beyond which the compensatory amounts would no longer be applicable.

Certain reforms are necessary in the immediate future. The Commission has proposed them today, and we agree to them, in contrast to Mr Tolman's report, which seems to us much too slanted, perhaps in favour of certain geographical areas. The contribution of the monetary compensatory amount must be calculated as precisely as possible in every case. This appears particularly necessary when the intervention price for certain products in fact incorporates a significant proportion of the processing cost. This applies to sugar, butter and powdered milk. In these cases, monetary compensatory amounts should be limited to ensuring standardization of the prices of agricultural raw materials, without covering industrial costs whose relative development depends on competition factors which bear no relation to the Common Agricultural Policy.

What is true for agricultural products which have undergone industrial processing is equally true for agricultural products incorporating imported raw materials not covered by frontier-price mechanisms. A similar line of argument could lead one to question the principle of total compensation for monetary differences, when certain livestock products in fact include a significant proportion of imported products not subject to the provisions of the Common Agricultural Policy. This is true of animals fed on imported soya — particularly pigmeat, eggs and poultry, as was mentioned just now, but also increasingly dairy products.

As regards the extension of special arrangements for imports from third countries, by way of derogation from the general conditions of competition laid down by the Common Agricultural Policy, and particularly from the principle of Community preference, with a view to maintaining certain traditional trade flows or facilitating supplies of certain products on the world market, it does not seem justifiable to apply the monetary compensatory amounts. These are only applied with regard to third countries when it is desirable to harmonize the conditions of trade with these countries, whatever the Community country in which the import or export transactions may have taken place.

Finally, with regard to the extension of exemptions, a simple method already proposed by the Commission would make it possible to ensure the free play of competitive forces not covered by the Common Agricultural Policy. It would be sufficient to make a further extension of exemptions; in comparison to the amounts currently in force, the exemptions decided in March 1976 in fact seem highly inadequate to provide the system with the necessary flexibility.

Those, Mr President, are the improvements which should be brought about by the method of calculating the compensatory amounts.

Of course, in the long term, we should seek the gradual creation of a European zone of monetary

Liogier

settlements which would be a real oasis of stability. In the immediate future, the measures which we suggest, some of which have been proposed by the Commission itself, are urgently necessary to avoid agricultural Europe splintering into a thousand fragments. And since the agricultural policy is the only common policy, at least at the moment, it is European integration as a whole which would thus be threatened with destruction.

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

Mr Howell. — Mr President, we find ourselves at variance with the Tolman report, and in a very similar position to that which Mr Hughes expressed earlier. But, personally, I must make it clear that I am nearer to Mr Tolman's views in that I think we are in danger of adjusting adjustments. We are getting further and further into the mire, into a bigger and bigger tangle, and therefore I think I should make it clear that although my group recognizes that there will be some help forthcoming, particularly to United Kingdom pig-producers, in general we feel that we must get out of this awful morass, into which we are going deeper and deeper year by year.

MCA's themselves are nothing more than a form of drug addiction, in which we indulge merely to avoid facing up to the realities of the situation. As we go on adding to these distortions, we get further and further away from any common agricultural policy, and are putting tremendous strains on the cohesion of the Community itself.

I find we disagree, too, with Sir Brandon Rhys Williams and the Committee on Economic and Monetary Affairs when they say that these methods should be phased out in 10 years. Ten years is far too long a time; it is impossible to think 10 years ahead in this area, and surely, if we are to reduce the strains imposed on the Common Agricultural Policy, then we must abandon the 'green currency' systems within two to three years, and here I fully support the views of Mr Bourdellès. As far as Mr Hoffmann's report is concerned, we generally welcome it, but are concerned about paragraph 6, where we think that this is too slow a process of elimination.

I am glad that Mr Jenkins is here, because he is saying that we must advance quickly towards economic and monetary union, and I fully support those views. But it seems to me that the Commission is speaking with two voices: it puts forward a proposal for making extra adjustments to the MCA's which will make economic and monetary union even more difficult. I am sure that Mr Jenkins agrees that there can be no economic and monetary union whilst the 'green currency' system exists, and so I do hope that the Commission will speak with a united voice and make very positive steps to eliminate the whole of the MCA system at the earliest possible moment.

President. — I call Mr Herbert.

Mr Herbert. — Mr President, I would like to congratulate both Mr Hoffmann and Mr Tolman on their excellent reports and I hope that our deliberations today will promote the formulation of a final and lasting solution to this very grave problem.

There is no need for me to go into any great detail as to the effect of MCA's on the agricultural market. It was crystallized by Mr Hoffmann when he stated that MCA's were originally introduced as a temporary mechanism to avoid serious distortions in the agricultural market, but they have now become a permanent feature of the entire mechanism of this market. They have created far bigger problems than those they were originally set up to solve, and their continuation lacks total justification. They have created many artificial distortions in trade, and already several such distortions have emerged solely because of the influence of MCA's on prices in the various markets. For example, as stated by Mr Bourdellès, it is now advantageous for German exporters to export their beef and dairy products into markets where they have no tradition. I refer particularly to the UK market, from which Irish exporters who had a traditional hold on the UK market are being squeezed out, with the result that they are losing their outlets in the UK. Irish meat-exporters now consult the MCA situation every week: one week they export to Germany, another week to France, another week to Belgium, and so on. This does not make for the establishment of permanent marketing but creates instability both from the producer's and from the consumer's viewpoint.

Clearly, the only way to solve the MCA problem is to move quickly to their total and final elimination. As a group, we have consistently supported the Commission's proposals for the elimination of the MCA's over a seven-year period, and we would prefer to see that period further reduced.

There are many disturbing features of MCA's. For example, they have a very serious effect on the Irish processing and canning industry. One of the peculiarities of MCA's is that they do not apply to processed meat and canned meat. As a result of this, the Irish canning industry is facing serious difficulties. It is possible for UK producers to buy the raw material in Ireland, process and can it, re-export it to Ireland and undersell the Irish producer to the tune of 14 pence a pound. Not merely has the Irish processing and canning industry lost its markets in the UK, but its home market is now being virtually eroded. That is ridiculous situation and it cannot be allowed to continue. The Irish meat industry cannot afford to lose hundreds of jobs in this area.

Another serious situation arises in the field of coefficients used for the conversion of livestock into carcass

Herbert

and processed beef. The inadequacy of these coefficients, has made the export of live animals more profitable than the export of carcass beef and processed beef. As a result, the Irish meat-processing industry has seen its share of this British market reduced by two-thirds over the past three years, while the demand for processed meat has increased by 400 %. The Commission has recently offered an improvement in the coefficients in connection with the farm-price review. This is yet another case of too little coming too late.

Much damage has already been done. Much more help will have to be given before Irish producers can benefit from the natural advantages which they are not allowed to enjoy presently because of the MCAs. In conclusion, Mr President, I would like to congratulate once more both Mr Hoffmann and Mr Tolman.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, I wonder whether the House realizes that nobody can really follow these complicated technical matters we are talking about. As a mere layman, I shall probably be unable to do anything to remedy the situation, but I can at least set out in rudimentary form the Commission's intended course of action.

We are in the middle of negotiations on the price package and, as you know, these matters are included in our discussions. In all probability, we can say that the Commission's proposal on the dismantling of the monetary compensatory amounts will not be accepted in its present form. In the end, we shall have to make do with a Decision. I should like to have seen the Commission's proposal make rather better progress, since we all realize that we have to get things moving in this field. Whatever we say about progress towards economic and monetary union will not enable us to get rid of MCAs just like that. On the other hand, we must do something about the harmonization of intervention prices — and that means ultimately the elimination of MCAs — which, as was said here in this debate, are impeding progress towards economic and monetary union. For this reason, the Commission's proposal to eliminate the MCAs over a period of seven years while retaining a ceiling of 5 % to prevent any sudden jumps was a sensible move in line with the Commission's policy of working towards economic and monetary union.

We can disagree about the extent to which the MCAs are responsible for changes which have come about in the agricultural sector, and principally in the export field. It is very difficult to pin this down. The MCAs may have had certain effects, but certainly not to the extent assumed by many people. Market shares have

not been materially affected by this element alone. There have, of course, been other contributory factors. For one thing, there is the question of costs, not to mention currency stability and the trend to rationalization. So we should not pin all the blame on to the MCAs for the failings of the Common Agricultural Policy. Having said that, however, we must do something. It would be useful if you were to give your support to Mr Hoffmann's report and thus to give the Commission a moral boost and strengthen its position *vis-à-vis* the Council of Ministers. I think it is essential for us to make progress in this field, and we must do so in the context of developments towards economic and monetary union. We must not, however, use the lack of progress towards economic and monetary union as an excuse for doing nothing at all. That would be the wrong attitude and that is not the approach the Commission is proposing. Please give us your support!

We now realize that the MCAs will not be eliminated overnight. It will be a long drag, but is that really any reason for just sitting back and saying that we should just let things drift as before?

I don't think this would be a viable alternative.

Hence the Commission's alternative proposal to do something in one sector — the pigmeat sector — that has already been done in other fields. As you know, the same kind of thing has already been done for beef and veal, and here it is not the intervention price which is taken as a basis for calculating the monetary compensatory amount, but a slightly different price. I am afraid that the Committee on Agriculture has been a little wide of the mark in dealing with this aspect. I should like to make it quite clear that it is not our intention to use this as a means of changing the intervention price for pigmeat. We intend to use this other rate — which is lower than the intervention price — only as a basis for calculating the monetary compensatory amounts. This seems to me to be a perfectly acceptable proposition.

If we are not in a position to make rapid progress over a wide front, I think there is a case to be made for at least taking a price other than the intervention price as a basis for calculating the monetary compensatory amounts in a sector in which we need fear no distortions of trade, and in which we know that such a move would be feasible. That is all we have asked for, and these two measures are complementary. We do not intend to abandon our main aim of eliminating MCAs and of harmonizing intervention prices, but we realize that we are not making fast enough progress and we should therefore appreciate your support in this sector at least. We would therefore ask you to depart from certain parts of the Tolman report and to give us your support in this matter.

President. — I note that there are no more requests to speak. The vote on the motion for a resolution together with the amendments which have been tabled will take place this afternoon during voting time.

The debate is closed.

5. Regulation on milk and milk products

President. — The next item is the report (Doc. 116/78) drawn up by Mr Herbert on behalf of the Committee on Agriculture on the

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

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

II. a regulation relating to the Northern Ireland Milk Marketing Board.

I call Mr Herbert.

Mr Herbert, rapporteur. — Mr President, this report is based on two proposals from the Commission, the first proposal being to amend Regulation (EEC) No 804/68 on the common organization of the market in milk and milk products. This proposal would permit, in any part of the EEC, the formation of a producer-controlled organization with compulsory powers to purchase milk from all milk suppliers in its area. While such producer organizations may be formed in any part of the Community, it is quite obvious that the proposal is especially aimed at the UK milk marketing boards. These producer organizations will enjoy certain rights such as the exclusive right within certain regions to purchase milk and the right to equalize prices paid to producers. However, there are some conditions attached also: in order to qualify for the special rights, 55 % of the milk produced in the area must be sold as liquid milk, and 80 % of the milk producers in the area must agree to the formation of the producer organization.

Regarding the second proposal, relating to the North of Ireland Milk Marketing Board, the Commission's justification for this proposal is that in the North of Ireland the board does not meet the requirement that 55 % of the milk must be sold in liquid form. This proposal therefore exempts the North of Ireland Milk Marketing Board from this condition.

The basic thinking behind the Commission's proposal is related to the importance of the UK as a consumer of liquid milk and as an importer of dairy products. The importance of the UK as a liquid-milk consumption area must not be underestimated. In 1976, the UK disposed of 57 % of its total milk production in liquid sales, and this is by far the highest rate in any Member State. The figures for the *per capita* consumption of milk in 1976 show that the UK consumption was 144 kilograms per head. This was only surpassed

by my own country, Ireland, with a figure of 199 kilograms per head, but the UK figure was way ahead of any other Member State.

It can be argued that this situation has resulted from the stabilizing effect of milk marketing boards (MMBs). On the other hand, it is often said that the MMBs cross-subsidize the production of certain dairy products, and consequently generate unfair competition with imports. As Members of this House will appreciate, the arguments for and against MMBs are many. I myself feel that we should approach this topic, which has become a very sensitive issue in recent times, in a pragmatic way. The Committee on Agriculture decided otherwise. In my draft report, I suggested that Parliament's aim should be to see what kind of legal or institutional changes could be made to the existing structures of the MMBs so that they complied with Community principles and rules, while at the same time maintaining the beneficial elements of these boards. The Committee on Agriculture, however, in its resolution before the House, stresses the following points: the incompatibility of certain aspects of the MMBs with Community law; the powers of monopoly of the MMBs; their dangers for free trade and the possibility of distortions in competition; the need to respect the provisions of the Treaty and of existing market organizations; the early elimination of other obstacles to intra Community trade in milk and milk products. In conclusion, the committee asks that these proposals, on which we have been consulted, be reviewed taking into account the views expressed in the resolution.

To finish here, Mr President, I would like to refer to the current negotiations in Brussels which, among many other things, concern the proposals which are the subject of this report. The fact that the Council of Ministers were discussing and reaching a decision on these proposals while they were under discussion in the Committee of Agriculture led to a certain amount of confusion. I feel that Parliament could execute its functions much better if such parallel discussions were avoided, and I hope that a more suitable background will exist in future.

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

Mr Früh. — (*D*) Mr President, ladies and gentlemen, on behalf of the Christian-Democratic Group, I would like to comment on the Commission's proposal concerning the Milk Marketing Boards. That is the problem we are really concerned with here, and it is one which has haunted us for years now and which is of the greatest possible importance. Mr Howell has devoted all his energy to this problem for as long as I have known him, and I well recall a fact-finding trip to England during which he brought out very clearly the advantages of the United Kingdom system. And so, Mr Howell, I am really sorry that I can't go along

Früh

with you in this question, although I have no intention of casting aspersions on your excellent milk marketing organization, which I find admirable and, indeed, enviable. I think that what is at issue here is an entirely different point, as we tried to bring out in the Committee on Economic and Monetary Affairs' motion for a resolution. I believe my group could give its whole-hearted backing to the motion as it stands.

Once upon a time, we had a similar kind of milk marketing organization in the German *Länder* and our dairies also served definite catchment areas. We had special provisions on areas producing ordinary liquid milk and milk from hill farms and it is common knowledge that this marketing system was declared incompatible with the European Communities' milk marketing regulations, which meant that it had to be abandoned, resulting in all manner of changes and hardships for all concerned, from the producers to the dairies. Quite clearly, our respective marketing systems each have their advantages, and it was for this very reason that we discussed the question of a transitional period which would give you four years' grace. From that discussion, which took place in your country, I still clearly remember that the question was what would happen in the United Kingdom after January 1978. The main problem was — and I thought at the time that we would have cracked it by the end of this long transitional period — to adopt, so to speak, the best elements from the two systems, from the point of view both of the producer and of the consumer, and to develop a new system on this basis. Then we would have had an ideal system. But this was evidently not the path that was taken. The British insisted on keeping their Milk Marketing Boards and the Commission has been — how shall I put it? — induced to put forward a proposal which all at once accepts a system which only a few years ago was declared to be incompatible with Community regulations and which had to be changed at all costs.

I am sure that you will appreciate, Mr Howell, that we have our doubts about the present method. Indeed, you appear to have the same doubts yourself, as is shown by many of the amendments tabled to the motion for a resolution.

In the motion for a resolution tabled by the Committee on Agriculture — I realize, Mr Herbert, that you had worked out a different motion, but you put the case for the present one very well — the point is merely to clarify whether the Commission's proposal is compatible with Community law. The motion for a resolution claims that this is not the case. We now have the interesting situation that amendments have been tabled seeking to delete the relevant paragraph 1. I fail to see the point of this. It must surely be possible to decide whether this proposal is or is not compatible with Community law. We have another amendment, however, in which you, Mr Hughes, have replaced the words 'are incompatible with Commu-

nity law' with 'may be incompatible with Community law'. In other words, you are leaving the issue open.

As far as the second point is concerned, the claim has always been so far that it is only thanks to the Milk Marketing Board that such a high proportion of liquid milk is sold, and this is something which we very much welcome, because whatever is sold doesn't have to be bought into intervention. We feel, though, that this high level of liquid milk sales is accounted for not so much by the marketing system as by the distribution set-up, and this is something we could all adopt. Delivering bottled milk to the doorstep every morning is an excellent idea and one which could well be copied. But this is no reason to keep these monopolistic Marketing Boards. That is the crux of the matter.

Let me touch on one further question. We really must investigate the situation as regards the distortion of competition in intra-Community trade which may occur if these Milk Marketing Boards remain the prerogative of a single country. We are opposed to restricting this system to one country alone, without the same opportunities being granted to other countries. I find it most regrettable that an amendment of yours calls quite simply for these organizations to remain restricted to the United Kingdom.

Allow me to say one last thing just to illustrate the fact that we are not being sufficiently consistent in this question. The motion for a resolution says that Parliament :

feels that the provisions of the Treaty and of the existing market organizations must be respected.

That seems to me to be such an obvious fact that there was little need to include it in the motion for a resolution, but I certainly do not approve of this obvious fact being deleted, as one of the amendments would have us do. It really will not do simply to reject parts of a motion for a resolution which call quite clearly and unequivocally for certain matters which are incompatible with the present organization of the European milk market to be investigated and, where necessary, for new proposals to be made.

In conclusion, I have one final point to make. We are confronted with two problems in the milk sector. On the one hand, we all realize the need to boost consumption. The Milk Marketing Board may well be successful here and there in this respect, but, as I said earlier, there is nothing to stop us adopting certain elements of the scheme, such as the distribution system. A second important problem is that of not only boosting consumption, but at the same time cutting production. I wonder whether this system is also capable of cutting production, or is it not in fact the other way round — is it not true that the security fostered by this system results in greatly increased production in your country?

Früh

The Christian-Democratic Group therefore calls for the amendments, some of which I have just referred to, to be rejected and for us to stick to the proposals made by the Committee on Agriculture. The Committee is concerned above all to establish once and for all to what extent the proposed provisions are compatible with existing Community law. Its second aim is to combine the respective advantages of the two systems without creating a special law applying to one country and one only.

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

Mr Bourdellès. — (*F*) Mr President, ladies and gentlemen, it is surprising that the Commission should have waited until the very last days of a transitional period of five years before proposing to the Council the measures necessary to bring the Milk Marketing Boards into line with Community regulations. We think that the solution to this problem of modifying the Milk Marketing Boards must, on the one hand, take account of the specific nature of the liquid milk market in the United Kingdom and, on the other hand, strictly respect the competition rules of the Common Agricultural Policy.

In fact, Mr President, we regard the Commission proposals as very half-hearted and are afraid they do not offer any prospects of rapidly eliminating the distortions of competition resulting from the operation of the Milk Marketing Boards or from British regulations on milk for consumption in liquid form.

Some of our British colleagues talk as if this system were the best in the world, as if everything on one side of the Channel were good and everything on the other side bad. In fact, Mr President, Great Britain accepted certain rules of the game in joining the Community. It committed itself to modifying its arrangements for the milk market at the end of the transitional period. Is that a reason for destroying existing arrangements? Certainly not. We must draw on the experience of each of our countries. In France, we used to have ONIC, the National Joint Trade Cereals Office. The producers were satisfied with its operation, but some clauses governing it turned out to be contrary to the Treaty of Rome. It was necessary to modify them. The same applied to several organizations in the Federal Republic of Germany.

The Milk Marketing Board has the monopoly of milk purchasing. This monopoly which it enjoys, and the pooling of prices to producers which it practises, allow the British processors themselves, contrary to Community regulations, to equalize prices at national level between liquid milk and other milk products. This has the result of distorting competition with the dairies in the rest of the Community, both for processed products and for liquid milk.

One must, however, admit that the disappearance of this organization would cause difficulties for our

British friends. As there are no cooperatives in Great Britain, it would mean creating a market entirely reserved for private industry. On the one hand, we must make use of the beneficial effects of this organization, which has helped to bring about a situation in which most of the milk produced in the United Kingdom goes directly to human consumption in liquid form, and, on the other hand, we must respect the general principles of the Treaty, particularly that of the free movement of agricultural products in the Community.

To achieve this, there should no longer be any obstacle to the import of milk and fresh milk products into the United Kingdom. At the moment these obstacles exist. Certainly, exports of fresh milk to the United Kingdom are not forbidden, but the health regulations stipulate that any milk must be pasteurized at the place of origin.

That, Mr Commissioner, is why the text which you propose seems hardly satisfactory to us. The Liberal Group shares the views expressed by our Committee on Agriculture in Mr Herbert's excellent report.

We therefore ask the Commission to revise its proposals. In wishing to grant important advantages to producers' associations, we want to make it easier to retain the Milk Marketing Board. We have gone half way to meet it, and it is up to it to go half way to meet us.

That is why the Milk Marketing Board, in order to comply with Community regulations, should be transformed into a true producers' association, whereas at present it is an instrument in the hands of the British Government, which makes a significant contribution to financing it...

Mrs Dunwoody. — No, Sir!

Mr Bourdellès. — (*F*) ... I myself am strongly opposed to granting this organization the right to pool the various prices. That would have serious disadvantages.

Price pooling has the effect of partitioning off markets, impeding the free movement of products and, because effective control is lacking, creating fearful distortions of competition.

As Sir Geoffrey de Freitas has just said, that is why Germany and the Netherlands, which previously used such a method nationally have had to abandon it and comply with the milk regulations. These decisions were taken at the time in the name of realistic prices. Why should the United Kingdom not follow this example?

It would be a serious matter if, instead of retaining the present system, we were to extend the right of price pooling to all the countries of the Community.

Finally, Mr President, as long as there are no Community health regulations the member countries will always be able to use their national regulations to

Bourdellès

protect their market. There is an urgent need to eliminate all the obstacles to free trade in milk and fresh milk products in the Community.

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

Mr Liogier. — (*F*) Mr President, ladies and gentlemen, like Mr Bourdellès, we are of course surprised at the presentation of these proposals, the aim which is to provide a basis in Community law for the milk producers' organizations known as Milk Marketing Boards. We also deplore the fact that the Commission has submitted its proposals right at the end of the transitional period for the United Kingdom. Indeed, it is astonishing that the Commission should have waited until the very last day of a transitional period of five years before proposing to the Council the necessary measure to bring the Milk Marketing Boards into line with Community regulations. While, like everyone else, we fully appreciate the part they have played on the British market, some of the operating rules of these organizations are entirely incompatible with the basic principles of the Treaty of Rome and of the Common Agricultural Policy. The monopoly of milk purchasing they enjoy, and the pooling of prices to producers which they practise, in fact allow British processors themselves to equalize prices at national level between liquid milk and other milk products, contrary to Article 24, paragraph 2, of Regulation No 804/68. This has the effect of distorting competition with dairies in the rest of the Community, both for processed products — whether cheese, butter or condensed milk — and for liquid milk. One must also bear in mind that, for this last-mentioned product, British regulations isolate their market by impeding the free movement of milk from the Community on various pretexts — health regulations, fat content, capacity of containers, etc.

The draft regulations proposed by the Commission do not make it possible to eliminate these distortions of competition — quite the reverse, since price pooling. The argument put forward seems all the more fallacious in view of the fact that an exception is made for Northern Ireland, although liquid milk is not of major importance in production there. Moreover, one must stress that if all the milk products consumed are expressed in milk equivalent, British consumption per person is not the highest — although there are those who would wish to persuade us otherwise, it is only in fifth place in the Community — nor is their milk the cheapest, since the liquid milk market has nearly always received a very high national subsidy — to be precise, £157 million in 1977 alone — and it represents about 60 % of the milk collected by the dairies. Furthermore, it is surprising that the Commission should be confining itself to an exchange of letters with the British Government to obtain assurances that

the factors causing trade discrimination will be eliminated. Thus, some commitments asked for by the Commission — for example regarding the early adoption of the directive on health questions — appear to be a mere formality and do not provide any real assurance. It is also surprising to see the Commission putting forward draft regulations before the British Government's reply is known.

For these and other reasons, we are opposed to the Commission's proposal in its present form. However, we recommend that it should as soon as possible take steps to find a specific solution to the problem of Milk Marketing Boards which would be compatible with the Treaty and the requirements of the Common Agricultural Policy, and carry out a study on liquid milk consumption in relation to existing market structures in the various Member States.

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

Mr Howell. — Mr President, I never heard so much distortion of the facts as so far today in this debate. I really do think it is quite astonishing how wrong some Members can be on this particular subject. I would like to thank Mr Herbert on behalf of the Conservative Group for the work which he has done. I know that he is as strongly opposed to this report as I am and that in its present state, it is totally unacceptable and will do nobody any good at all.

It is a great pity that so many members are so blind on this subject. Our British Milk Marketing Boards are no different from the boards which exist in Ireland and for which provision was made before the Irish entered the EEC at the same time as ourselves. Perhaps we should have had the good sense that the Irish had at that time to get our boards accepted in the same way.

What are we arguing about? The boards in Ireland are absolutely similar to those in Britain, and a form of words was found to allow them to continue without any worry as far as the Treaty of Rome was concerned. By producing this report in its present form, we are showing up the EEC at its most dogmatic and rigid, and this really is serving no purpose at all as regards Community unity. Our British boards are doing no harm to anybody else; in fact, they are doing good to the Community inasmuch as we are drinking more milk than any other country in the Community, with the exception of the Irish, as we have heard. I welcomed the pleasant remarks Mr Früh made about me, but I am sorry that he was such a poor pupil when he visited Thames Ditton, because he really did not grasp the essential point — the large-scale consumption of milk. Without our Milk Marketing Board's structure we should have a declining consumption of milk like every other country, apart from Ireland, in the EEC.

Howell

So, I think we have to look the facts clearly in the face. We are still in a very difficult position as far as milk production is concerned. In all these years of trying to reduce the dairy herd, of trying to reduce milk production, which is so embarrassing and damaging to the EEC, we have achieved nothing: we produced 2 653 000 tonnes more in 1977 than in 1976, and there were 41 000 more cows in the Community in 1977 than in 1976. I have been in this Parliament for five years and we have been arguing about this subject ever since, and we are still moving in the wrong direction. To quote Mr Gundelach's statement at one of the last part-sessions, 15 % of the milk produced in the EEC has no market: that means that there are about 4 million surplus cows in the EEC, and we have found no way of reducing that number.

In Britain we are net importers of milk and we consume great quantities of liquid milk. If anything were done by this Parliament or by the Council to damage the Milk Marketing Board or restrict its activities, this would only have the effect of aggravating the milk surplus. So I do suggest that the Treaty of Rome, which could not have been right in every respect twenty years ago, should be made pliable and be adapted to recognize the fact that the Milk Marketing Board is helping to reduce the milk surplus in Europe, this major problem confronting the EEC. Nothing, just nothing, should be done to damage or restrict the Milk Marketing Board. I defy anybody to mention a food commodity which is cheaper than milk is in Britain: a pint of milk is delivered to the doorstep each morning for very little more than it costs to deliver a letter.

This is a most remarkable achievement.

We are not asking for any special privilege within the EEC to continue with our Milk Marketing Boards, as, I think, Mr Liogier suggested. We are trying to say: 'Look, why don't you see what can be done in the rest of Europe? By all means imitate our example!' This is what we should be applying our minds to rather than damaging or restricting in any way these boards which are functioning so well.

When we visited Thames Ditton with a delegation from the European Parliament, it was quite remarkable to see how impressed members of the Committee on Agriculture were at what they saw. Our chairman at that time, Mr Houdet, went back and made a speech in the French Senate, saying that he had been totally opposed to the introduction of milk marketing board in France in the 1930s and that he was now convinced that he was wrong and that a very serious mistake had been made. Others, like Mr Martens, were also highly impressed and said so, but that is all a long time ago — it was two years ago — and not enough people in this Parliament have any real knowledge of what these boards are about and of how beneficial they are to consumer and producer alike.

Now, I do know a little about this side of things, because I have been a dairy-farmer in my own right for the last 30 years and I was born on a very small dairy-farm quite a number of years ago. The point I want to make is that it has been said that the milk marketing boards are not a help to the small farmer, which is quite the opposite of the case. The dairy-farm that I was born on was too small to have a liquid-milk contact with the dairy, and when the Milk Marketing Boards were formed it was established that every dairy farmer, no matter how small, could sign a contract and deliver milk at the same price as the largest and most powerful dairy farmers. It is this which has done so much good for British agriculture and done more than anything else to stabilize it. The fact that there are not as many small dairy farmers in Britain as there are in the rest of Europe is proof of the success of the Milk Marketing Boards. It has increased the scale of individual dairy-farms and all in all, has proved a tremendous service to the whole of agriculture. As I said earlier, it has established a very cheap product and there is no product reaching the consumer any cheaper. I think that this Parliament is doing itself a great disservice in trying to disrupt something which is working efficiently in every respect. There are so many problems with which we are confronted and which we ought to be tackling — and one of the most serious is the over-production of milk in the rest of the EEC — that it is complete lunacy, in my opinion, for the Council of Ministers or this Parliament, by amending Mr Herbert's report in this way, to be wasting its time disrupting something which is working very efficiently, rather than applying its mind to the major problem of getting supply and demand in the milk market married up more closely.

I am as convinced as I ever have been that there is only one way in which we shall ever sensibly control milk production in the EEC, and that is by having an organization in each of the countries which has the power to control and establish quotas for milk production. This massive overproduction of milk is serving no useful purpose, either for producers or for consumers; and yet, how are you going to control it? If you do what we are trying to do now and keep on cutting the price, the initial effect will be that dairy farmers like myself — and in fact I am doing this at the present time — will increase their output in order to try and maintain their incomes. This will go on all over the EEC until we reach the point where everybody recognizes that it is no good and there is a massive exodus from dairy-farming. That has already occurred once within the EEC, when cow numbers fell far too low and prices to the consumer rocketed, and this will happen again. It is too blunt an instrument. We should therefore have a quota system throughout the EEC so that all dairy-farmers can be fairly restricted so that they do not over-produce and cause so much damage in every respect. Can you think of anything more wasteful than 4 million cows

Howell

eating vast amounts of cereals and occupying millions of acres of land only to embarrass the whole of our Community?

So, Mr President, I urge all Members of this Parliament to think again, to reverse these amendments which were inserted into the Herbert report and to produce a report which will in no way restrict the operation of the British Milk Marketing Board.

President. — We shall continue this debate this afternoon.

6. *Membership of committees*

President. — I have received :

- from the Liberal and Democratic Group a request for the appointment of Mr Baas to the Committee on Agriculture to replace Mr Bourdellès ;
- from the Group of European Progressive Democrats requests for the appointment of Mr Power to the Committee on Energy and Research to replace Mr Inchauspé and of Mr Herbert to the Committee on the Environment, Public and Consumer Protection to replace Mr Power.

Are there any objections?

These appointments are ratified.

7. *Agenda*

President. — The enlarged Bureau proposes to Parliament that the following reports be included in tomorrow's agenda :

- Caro report (Doc. 93/78) on the financial protocols concluded with Greece, Turkey and Portugal (at the beginning of the agenda)
- Cointat report (Doc. 94/78) on the educational allowance for local staff (at the end of the agenda).

Are there any objections?

That is agreed.

I call Mr Dewulf.

Mr Dewulf. — (F) Mr President, may I ask what fate is in store for the Klinker report, which has just been distributed? I think we ought to discuss it during this part-session.

President. — The Bureau has decided to include the Klinker report in the agenda for the June part-session.

I call Mr Dewulf.

Mr Dewulf. — (F) And what about the Andersen report?

President. — The Andersen report has also been included in the agenda for the June part-session and the same applies, by the way, to the Klepsch report on armaments, the Cousté report on GATT, the Brown report on certain pre-packed liquids and the Squarci-alupi report on safety at work.

I call Mr Dewulf.

Mr Dewulf. — (F) I would point out that the Commission itself considers the Klinker report very urgent.

President. — I call Mr Hughes.

Mr Hughes. — This is very difficult, Mr President. The Committee on Agriculture and the Fisheries Sub-committee, of which I am chairman, were asked by the Commission and the Council to consider this as a matter of urgency, particularly the Andersen and the Klinker reports. We had special meetings this week, at great inconvenience, and now we are told it is not to be on until June. I must ask that we have another look at this matter at the start of this afternoon's sitting at 3 p.m., because, while I accept the communication from the enlarged Bureau, I would like to take the lunch-break as an opportunity to discuss with the representatives of both the Commission and the Council to see why on Monday it was a matter of urgency that we complete our work so that it could be on the agenda for this month and on Thursday morning we are told it is not going to be on.

President. — Mr Hughes, it would be more appropriate for you to ask this question this afternoon. In any case, it is Parliament which fixes its own agenda.

The proceedings will now be suspended until 3.00 p.m..

The House will rise.

(The sitting was suspended at 1.10 p.m. and resumed at 3.00 p.m.)

IN THE CHAIR : MR SCOTT-HOPKINS

Vice-President

President. — I call Mr Hughes.

Mr Hughes. — At the end of this morning's session, an announcement was made concerning decisions of the enlarged Bureau and in particular, not to take tomorrow the reports of either Mr Klinker or Mr Andersen. It was agreed by your predecessor in the Chair that an opportunity would be made available later this afternoon to discuss that decision and to consult the House on it. Will that be immediately at the end of Question Time, or now, Sir?

President. — I think it is more convenient to deal shortly with the matter now, as you have raised it, Mr Hughes.

Mr Hughes. — I am most grateful to you, Mr President. The position is that on 25 April, the Committee on Agriculture received a telex from the Commission

Hughes

and Council asking to have these two relatively small technical matters concerning improvements for very small inshore fishing provisions and for fishing vessels flying the flag of the Faeroes, Norway and Sweden, dealt with in order to expedite negotiations with those countries. The Committee on Agriculture and the Fisheries sub-committee on whose behalf I am speaking as chairman, took a great deal of time to deal with these earlier this week so that we could conform to a request from both the Council and the Commission to get them out of the way during this part-session. They could be added to tomorrow morning's business without prolonging the session to any considerable extent and it would be to the service of all the institutions of the Community if we were able to keep the Klinker and the Andersen reports on the agenda, as they are of a different order from the Corrie and other reports that were taken off yesterday's agenda. I hope, Mr President, that you will allow these two reports to be put on the agenda for tomorrow.

President. — Mr Hughes, these matters were considered by the enlarged Bureau this morning, in the presence of representatives from the Council and the Commission. Since the main fisheries debate had been postponed until the June part-session, since the Council representative did not insist upon the urgency of this matter, and since, moreover, the Commissioner concerned, Mr Gundelach, is unable to be here tomorrow, it was decided to postpone this item until the June part-session, when it will be taken at the same time as the other important items relating to fisheries.

Mr Hughes. — Is that Bureau decision subject to ratification by this House?

President. — No, Sir, it is not subject to ratification by this House. It is the decision on the agenda. Under our Rules of Procedure, the agenda cannot be changed unless there is a motion of urgent procedure is proposed, and then not unless there is a majority in favour of two-thirds of those voting. The decision of the Bureau stands unless a Member wishes to move otherwise.

Mr Hughes. — I would wish to move precisely that, Mr President. I feel that the Bureau's decision is not one that I, as chairman of the Fisheries sub-committee, can readily accept, and therefore I would ask that these two items be put on the agenda for tomorrow.

President. — Mr Hughes, you are moving that these two reports should be considered as a matter of urgency under Rule 14, and therefore there will be a vote taken on it by the House tomorrow morning.

Mr Hughes. — I am most grateful, Mr President.

President. — I call Mr Dalyell.

Mr Dalyell. — There was a statement this morning from Mr Meintz to the effect that there might be a

statement from the Bureau at 3 p.m. on matters in relation to the Argentine. Is such a statement forthcoming?

President. — Mr Dalyell, the Bureau adjourned its meeting until 3.30 p.m. The House will be informed as soon as possible once the Bureau meeting has terminated.

8. Question Time

President. — The next item is the third part of Question Time (Doc. 98/78). We shall continue the questions to the Commission.

At the request of its author, Question No 7, is transferred to another part-session.

Question No 8, by Mr Schyns :

According to a Commission communication to the Council of 14 February 1978 (COM (78) 52), efforts to lay down common minimum social protection rules to cover the principal risks will be pursued. Can the Commission state when this aim will be achieved, and specify the areas referred to?

Mr Jenkins, President of the Commission. — The honourable Member's question refers to the programme of the Commission for 1978. The passage on social policy in the document concerned should be seen in the context of the Commission communication to the Council of Ministers on economic and monetary union of November 1977. This deals, among other things, with the establishment of a minimum standard of social protection with the aim of improving the distribution of incomes in the Community. The Commission has undertaken a number of studies to develop this concept, such as those on a minimum income in the Member States for both employees and non-employed persons.

Mr Schyns. — (F) Does Mr Jenkins intend to submit this proposal to the Committee on Social Affairs, Employment and Education for their consideration in the very near future?

Mr Jenkins. — Yes, it is certainly the desire and intention to submit proposals in this field to the Committee on Social Affairs, Employment and Education, and I think they should be forthcoming in the reasonably near future.

Sir Brandon Rhys-Williams. — May we ask that the Commission should give particular attention to the effect of family allowances being paid in different Member States at completely different rates, and would the Commission also study the effect of concessions in the tax system for breadwinners which relate

Rhys-Williams

to the number of dependants, particularly children which they have, since these undoubtedly have a bearing on wage costs and, in effect, on competition between similar enterprises in different parts of the Community.

Mr Jenkins. — Yes, I think we would certainly be willing, indeed eager, to look at both these points. I do not myself think that it is necessarily desirable at this stage to aim at a complete harmonization of social benefits. There should be a floor, certainly, but I think there is room for certain competitive developments provided they do not effect the unity of the market to a significant extent within the Community and provided it is done above a floor which provides a reasonable minimum standard.

President. — Question No 9, by Mr Osborn, for whom Lord Bessborough is deputizing :

In view of the choice to be made by the United Nations International Civil Aviation Organization between the European Doppler Microwave Landing System and the US Time Reference Scanning Beam Landing System for worldwide application, what steps has the Commission taken to establish the technical and operational merits of the two systems with Member States, with Member States' airlines and with the US Administration ?

Mr Jenkins, President of the Commission. — The Commission keeps itself closely informed on the discussions about new aeronautical equipment permitting safer, more reliable and more economic operational conditions in air traffic. However, in view of the length of time during which a number of entrenched interests have been debating the technical arguments involved, we do not feel that intervention by the Commission at this stage would be effective in seeking to resolve this particular issue.

Lord Bessborough. — Would not the Commission agree that it would be appropriate for a Community blind landing system for aircraft to equip all commercial airports in the Community, and that it would also be desirable for such a system, where appropriate and suitable, to be adopted in countries which have a special relationship with the Community, such as, for example, the Lomé States and maybe even the People's Republic of China ?

Mr Jenkins. — My view, if the honourable Member would like to have it directly expressed, is that the history of this matter is in some ways a classic example of lack of cooperation in the Community. At the present time there is an intense degree of competition between an American system in which there is some French involvement, and a British system. We have a German system which is arguably of high quality but later in the queue. They are all competing together. It is open to the House to judge which will

win. My own view is that from here forward we might make the judgment that if the Community operated on a more united basis it might do better.

Mr Dalyell. — In a previous incarnation the President of the Commission was a Minister of Aviation in one of our nation States. In his experience, does he think that this sort of matter is best handled by the Commission or by the ministers of the nation States ?

Mr Jenkins. — I think this always becomes an extremely difficult question to answer. I think that when confronted with an immediate situation as we are in several aeronautical fields at the present time, there can be strong arguments for national action. But if one stands back a little and looks at the thing in a perspective of five or ten years, it appears to me without question that the impact of the Member States as a whole and the effective work for them would be greatly enhanced by a more Community approach.

President. — Question No 10, by Mr McDonald :

Having regard to the fact that certain types of plastic containers (acrylonitrile copolymers) have been found to be unsafe for beverages in the USA, would the Commission make a statement on the desirability or otherwise of having milk and other beverages sold in these containers ?

Mr Brunner, Member of the Commission. — (D) The Commission is examining the question of the use of monomers, especially the use of acrylonitrile for plastic containers. The Scientific Committee has been asked to look into the matter and will in due time propose any necessary measures.

Mr McDonald. — I would like to ask if the Commissioner has considered the health aspect of using the plastic containers in the wider context of food safety as well, and is he aware of the growing use being made of plastic containers for packing food intended for human consumption, apart altogether, from the fact that certain types of plastic containers are not biodegradable ? That is, they do not decay, and cause litter. And am I right in my understanding of the Commissioners, reply that they will consider making proposals for a directive about the materials mentioned in my question, as they have done in Doc. 515/76 *vis-à-vis* vinyl chloride and monomers ?

Mr Brunner. — (D) Proposals will be submitted by the Commission if any effects detrimental to health are detected in these forms of packaging. The Scientific Committee is also dealing with the questions which have been put by the honourable Member.

Mr Dalyell. — The Commission will not meddle unnecessarily, will it ?

Mr Brunner. — (D) The Commission always makes every effort to avoid doing so.

President. — Question No 11, by Mr Shaw :

What study has the Commission made of the misapplication of the regulation on powder-milk incorporation ?

Mr Brunner, Member of the Commission. — (D) The Commission must wait until a number of court decisions which are pending in this matter have been taken. Only then shall we be able to state a view on the matter.

Mr Shaw. — Mr President, arising out of this, does the Commission feel that its obligations to make any restitutions arising out of this matter relate to the budget or to the regulation concerned ? And if to the budget, then does it feel that the responsibility rests with Parliament and with the Council ?

Mr Brunner. — (D) It is too early to say whether there will in fact be any claims for compensation to be paid out of the budget. Consequently, the Commission is not yet able to give an answer to this hypothetical question.

President. — In the absence of its author, Question No 12, by Mr Howell, will be answered in writing.¹

Question No 13, by Lord Bessborough :

In recent times, owing to disease, Italy and the United Kingdom have lost a large number of trees. What consideration is the Commission giving to a European Year of the Tree in order to encourage the replanting of trees in open spaces, private and public gardens and elsewhere ?

Mr Vouel, Member of the Commission. — (F) The Commission's interest in the subject of forestry and afforestation is borne out by the proposal for a directive on forestry measures which we submitted to the Council in 1974 and which is still awaiting approval, and by the proposal for a regulation concerning a joint forestry programme in a number of dry Mediterranean areas of the Community which has just been submitted to the Council. The Commission is also currently drafting a proposal for a research project on the methods of combating Dutch elm disease and producing varieties resistant to it.

In view of these efforts, the Commission would certainly welcome any moves to organize a European Year of the Tree, provided that such moves were in line with the directives I have just mentioned and with the Community's environmental action programme.

Lord Bessborough. — A very detailed answer, most encouraging. I wonder whether the Commission would consider now consulting arboricultural experts with a view to recommending tree varieties suitable for the climates found in the Community. And also, I wonder — this thought comes to my mind, having

crossed the Orangerie just now — would the Commission not think it an interesting idea to create a European park, a European arboretum, in this area ?

Mr Vouel. — (F) The Commission would certainly be ready to recommend varieties resistant to Dutch elm disease as soon as the research which I mentioned a moment ago has been concluded.

The creation of a European park is an interesting idea which deserves to be considered. I shall see that the matter is discussed by the Commission.

Mr Dalyell. — Some of us cringe with embarrassment when we are told about a European Tree Year. Far more attractive was the attitude of Commissioner Gundelach — was it 4 or 5 part-sessions ago — when he made a very impassioned speech saying that he thought that the European Community as a whole had to do far more about forestry. Now would it not be better, rather than having a Tree Year, to talk seriously to governments and to the forestry commissions in our various countries and then report back to Parliament. Surely it is talking to governments rather than the Tree Year that we want.

Mr Vouel. — (F) The Commission is, in fact, currently discussing forestry problems with national experts. When some definite conclusions have been reached, we shall be able to discuss them here in Parliament.

Mr Shaw. — Mr President, if we are going to have a European Tree, shouldn't we have a European Dog ?
(Laughter)

President. — Question No 14, by Mr Normanton :

What methods does the Commission consider appropriate to encourage the learning of Japanese by Community citizens in order that the Japanese market may be penetrated by Community firms which understand the mores and laws of that country ?

Mr Jenkins, President of the Commission. — A greater Community penetration into this difficult but vitally important Japanese market is urgently necessary, and this requires more Japanese speakers. The Commission therefore propose to include in the 1979 budget an amount of 570 000 EUC which would allow 20 people to be sent to Japan, each for a period of 18 months. It is intended to choose candidates with a university degree interested in economic cooperation with Japan and also with some practical commercial experience. Their studies will concentrate on language, but will also promote a better overall knowledge of the economic and cultural conditions in Japan.

Mr Normanton. — May I say on behalf of the whole House that we welcome and congratulate the

¹ See Annex.

Normanton

Commission upon this farsighted proposal — one which, as far as it goes, will contribute significantly to more effective competition in world markets and hopefully in the Japanese one in particular. But would the President of the Commission not consider that, whereas the Commission's proposal relates to technical, experienced people — people who have gone through industry, or are in industry and have gone through universities — it is of significant importance to sponsor the visits of younger people, of the age of perhaps 16 or 17 years, on short-period visits, not in groups of people but as individuals, to stay in Japanese homes, to visit Japanese educational establishments, by way of preparation for what will be of enormous value — the programme which the Commission has just now announced.

Mr Jenkins. — I am certainly willing to consider that as a supplementary aspect to the programme, and may I say I am very glad of Mr Normanton's welcome to the general Commission attitude to this matter, which in my view of great importance. It may well be right to consider familiarization visits which could, as it were, arouse people's interest in Japanese questions at an early stage. At the same time it is no good pretending that to become expert, certainly in the Japanese language and in Japanese economic and social conditions, does not require a considerable degree of concentrated study.

Therefore I have no doubt that we are right in not dispersing our effort too much at the first stage. Let us have 20 highly-qualified people, and I think the criteria we have laid down are wise from that point of view. But equally, we have to consider how people are going to pass the one hurdle, which is that they be interested in economic and cultural cooperation with Japan. I think, certainly, it might be worth considering whether one could, at the second stage, cast one's net a little wider, but I would certainly not be happy with a Commission programme which merely gave people three interesting weeks in Japan, but did not leave them at the end of the day really competent or experienced to carry out the work which we have in mind here.

Mr Dalyell. — Yes, but the question talks about the critical issue of the penetration of the Japanese market. Now in his recent talks, did the President of the Commission put the problem of how the rules of the game are altered at the last moment, making it very difficult for Community firms to trade in what many of us would consider to be normal circumstances. Is that not almost as important, at any rate, as language?

Mr Jenkins. — I have devoted a good deal of time and effort over the past six to eight months to dealing with this aspect of the matter in particular, and it leaves me with certain thoughts. I think the Japanese

market is a difficult market to penetrate in mass. It is not too difficult to penetrate it at the edge, but what is difficult is to get into it on a scale which can make a major impact on the balance of payments between the Community and Japan. I have stressed to the Japanese authorities with whom I have a good number of talks at various levels, — political, commercial and industrial — the importance of moving in this direction. But I have been aware in all these talks that while, even if we were perfect in the Community, the Japanese need to open their market, it is also the case that we do not at present fully exploit such, perhaps, limited openings as are available. I am very sure that if we were able to be more confident that we were exploiting to the full what is available, we should be in a stronger position to make more available in the future.

President. — In the absence of its author, Question No 15, by Mr van Aerssen, will be answered in writing.¹

Question No 16, by Mr Herbert :

Having regard to the present poor state of the market for pork within the Community, will the Commission propose the immediate reintroduction of export refunds for pork?

Mr Brunner, Member of the Commission. — (D) With Regulation No 730 of 11 April the Commission did exactly what the honourable Member is seeking. The Regulation reintroduced export refunds for live pigs, slaughtered pigs and cuts of the animal.

Mr Herbert. — Would the Commissioner assure the House that export refunds will be maintained so that established markets will not be destroyed?

Mr Brunner. — (D) This will continue as long as the current market situation warrants it.

President. — Question No 17, by Mr L'Estrange :

Will the Commission state whether any Member States have yet replied to its questionnaire on the implementation of equal pay provisions?

Mr Jenkins, President of the Commission. — All the Member States have replied to the Commission's questionnaire on progress in the application of the principle of equal pay for men and women.

Mr L'Estrange. — I would just like to ask the President what progress has been made to date in dealing with those. Does he think there are any shortcomings and infringements in some Member States? If so, what States, and what action does he intend to take? I would also like to ask whether he is satisfied that the directive on equal pay for men and women in employment is being implemented in all member countries; because if it is not, there is little use in having the equal pay provisions.

¹ See Annex.

Mr Jenkins. — The replies to the questionnaire have all come in, as I was happy to say. They are of a somewhat complicated nature. We are urgently engaged in analysing them at the present time. We hope to complete this analysis as soon as possible and we then hope to lay the information before the Parliament, in a digested and full form. It may be possible before the summer break it may have to be in the autumn, but it will certainly not be postponed beyond then. It would be wrong for me to give an off-the-cuff opinion as to whether everybody is doing everything they ought to. It is in my experience rare that everybody is doing everything they ought to. But at least they have replied reasonably punctually. We shall analyse what they say; we shall put the results before Parliament; and if they are not doing everything they ought to, we shall act.

Mr Brown. — I would ask the President whether he will bear in mind that the reply from the United Kingdom Government needs to be looked at rather carefully, because so far the 25 upholstresses there employed in dockyards in the United Kingdom still have not been paid the rate for the job. Therefore, if the United Kingdom Government are claiming that they are in conformity with the proposals, that cannot be true, and I hope that before he accepts their reply, he will question them upon these 25 upholstresses, to whom they refuse to give equal pay.

Mr Jenkins. — I believe that all replies from the United Kingdom Government need to be looked into very carefully indeed, and perhaps not only those from the United Kingdom Government. Having given a great number of replies in Parliament on behalf of the United Kingdom Government myself in the past, I still endorse that principle. We shall look at them very carefully indeed, and we shall bear in mind the bench-mark that the honourable Member has supplied. We shall look at the replies from all Member States carefully and then provide Parliament with the fullest information we can.

Mr Fletcher-Cooke. — Would the President agree that one of the most difficult matters in the question of enlargement of the Community is going to be this question of equal pay in view of the social conditions prevalent in many of the three applicant countries? And can he give us, even in outline, any idea of what the Commission is doing in order to assist these three applicant countries to satisfy the equal-pay requirements over a period of years?

Mr Jenkins. — Yes, I am not sure I would agree that it will be one of the most difficult questions: there are many difficult questions which pose themselves in relation to the urgent need, in my view, to enlarge the Community in order to provide democratic sustenance to these countries. No doubt equal pay will be

one of the problems with which we shall have to deal, and of course there will be a certain problem about, not complete equality of remuneration, because, after all, that does not exist within the existing Community, but the adoption of some basis, some approach to equal remuneration, not purely on the basis of equality between the sexes but in a wider sense. But we will certainly bear this in mind.

What I think I can assure my honourable friend about is that there is in my experience, — having paid two visits in the course of the last few months, one very recent, to two of the applicant countries, — a very lively desire there to try and fit in with the spirit as well as the letter of Community action. — Not without problems, certainly. But we will certainly bear this in mind as the Member States try to adjust themselves to move alongside the Community, which, I think, is absolutely crucial in the period between now and their date of accession. I think there is general agreement about the need to think increasingly in terms of a Community of 12 which will exist in the foreseeable future, and with every month which goes by from the middle of 1978, we must endeavour to move those countries, as they wish to move themselves, so that they can be as close alongside us as possible by the time of the actual accession date.

Mr Yeats. — Bearing in mind that it is now more than three years since the directive on equal pay was enacted and more than two years since it came into force throughout the Community, are we to take it from Mr Jenkin's replies that during all this period no enquiries have been made by the Commission with regard to the carrying out of the equal pay directive, no information has been gained, nothing is known by them about what has been happening in the Nine Member countries, and nothing will be known until they have read the answers to this questionnaire?

Mr Jenkins. — No, I think, if I may say so with respect the reverse would be the case. Maybe it would have been desirable if we had completed the whole process some time ago. It is always desirable that things should have been done earlier rather than later. But what I am reporting to the House at present is that we submitted a detailed questionnaire, of which the House is aware, to all Nine Member States, and they have all replied. The question implied some hesitation as to whether they had yet replied. They have all done so. We are now urgently analysing the information and therefore as we have full replies from them the House will be informed at the earliest possible date.

President. — Question No 18, by Mr Broeks:

Statements made on terrorism have not clearly brought out the fact that neither political nor ordinary criminal terrorism is possible without arms. Yet in a number of Community countries arms are freely offered for sale and

President

can therefore easily be smuggled into other Community countries where this is not the case.

Does the Commission agree that one of the first steps to be taken in the fight against terrorism must be the prohibition of arms sales in all Community countries, together with tighter arms controls at its external frontiers?

Mr Jenkins, President of the Commission. — The Commission, of course, sympathizes with the objective of the honourable Member. A careful and systematic control of the sale and transport of arms is one necessary pre-condition for the effective combating of terrorism. As the President-in-Office of the Council of Ministers explained when answering a similar question yesterday, this issue, among others, is being pursued in the meetings of Community ministers with responsibility for Home Affairs.

Mr Broeks. — (NL) I thank the President of the Commission for his sympathy, but what I want to know is whether the Commission has already got proposals to put to the Council. The Council is prepared to deal with them, but there must of course be proposals from the Commission. Do such proposals exist? Are they being considered? If not, when will they be?

Mr Jenkins. — Well, I have a dual capacity here. I am ex-Minister of Home Affairs — or Minister of the Interior, in European terms — and in that capacity was responsible for taking the initiative in organizing the first meeting of European Ministers of the Interior, which took place in Luxembourg almost exactly two years ago — 23 months ago, to be exact. It was not strictly a meeting within the framework of the Treaty — it would be a little difficult to bring all these ministers together within that framework because it is not covered by the Treaty as such. The powers of the Commission in relation to what are essentially matters of police cooperation are fairly limited. As I say, I have a dual interest in this matter, but I do not entirely agree that this is a matter which within the terms of the Treaty requires, or would be advanced by, a Commission initiative. It would be difficult to find the article in the Treaty under which this could be justified, but we shall certainly do everything we can in our power to encourage cooperation between governments in this field.

Sir Derek Walker-Smith. — May I respectfully endorse what the President of the Commission has said? Is it not a fact that the action suggested by Mr Broeks, with the motive animating with which all will be much in sympathy, would not be *intra vires* the Commission, since it is not within the legal framework of the objectives as defined in Article 2 of the Treaty? Is Mr Broeks not more on target in Question No 42, this being a matter for the Ministers and governments of the Member States, who can not only take into account all the considerations, both in

respect of terrorism and domestic violence, but also ensure that any action by way of control of arms is not prejudicial to the defence interests of the West?

Mr Jenkins. — Yes. I thought that the intervention of Sir Derek Walker-Smith was in response to the question of Mr Broeks rather than a question to me. But what he has said is broadly in accordance with my own view.

Mr L'Estrange. — The President has stated that careful and systematic control is necessary to control terrorists. I would like to ask him what checks are carried out to see that containers on both lorries and ships, supposed to contain machinery and machine parts, do not in actual fact contain machine guns? Is he aware that terrorists, unfortunately, in our country have imported arms in containers both on lorries and on ships against the wishes of our government?

Mr Jenkins. — I am aware of matters in this field, for reasons which I gave in my first supplementary answer. What I am concerned about is that, in this absolutely crucial matter at the present time, we should not get locked in a rather sterile dispute about what are the responsibilities of the Member States acting outside the framework of the Treaty and what is the position under the Treaty. Now, it can be well argued that the Commission, as, I believe, is the case — and I am always anxious to see this within reasonable limits, within the limits of what is sensible — should play a central role in these matters, but I am even more interested that Europe shall advance, than that the Commission should do a job with which it is not entrusted under the Treaty. It is the results with which I am concerned primarily here. Although, certainly, the Commission has certain responsibilities in relation to the harmonization of arms production, that is not primarily what is at issue here. But on sensitive matters of national security, Ministers of the Interior, Ministers of Home Affairs and Ministers of Justice — and we have no such portfolio within the Commission — should cooperate together in the closest possible way in order to ensure that Europe as a whole combats terrorism as effectively as possible.

Mr Power. — Surely the Commissioner will agree that it is vital that action be taken in this matter now, and to borrow a phrase of his own, 'if everybody was doing everything that he ought to do', does he not consider the Commission should endeavour to ensure that there is a complete clamp-down on arms sales in Member States? He mentioned in his reply what was justified. Can he understand how this body here can control the growing of food used to give life and allow the sale of arms used to take life? In a day when words about terrorism are very cheap and plentiful here, does he not consider that simple action such as has been suggested would be much more effective?

Mr Jenkins. — I believe that the greatest possible degree of control over the sale of arms in nation States is highly desirable, and I believe that this should be coordinated on a European, and on an international basis. Certainly the Commission will use its influence in every possible way to secure that this is done, but what I must consider in practical terms, is whether I am acting within a field in which the Commission can most effectively push these matters forward by trying to exercise its legal powers, which I think are somewhat debatable — very debatable in this field. Or, whether one can best encourage the closest cooperation between Member States on highly sensitive matters of national security but which, at the same time, rather typically of many of our problems in Europe at the present time, cannot be dealt with on a purely national basis. It is from this point of view an extremely interesting issue. Questions of security are ones which touch States at their very heart, which they feel is the essence of their own powers, yet it is increasingly becoming the case that they cannot be effectively exercised on a purely national basis. My desire and my objective is that one should get a proper balance between Europeanism and effective national action in these fields.

Mr Cunningham. — I have fought strongly the idea of international cooperation in this field while supporting him strongly too in enforcing the strict legal limits of Community activity, since the worst possible action would be to confuse the line of responsibility between the Community as such, and national governments as such, because what would happen then would be that national governments would not be taking the action which they are responsible for at the moment, and they would be looking to the Community to do things which the Community is not properly suited to do, and is not legally entitled to do.

(Hear, hear!)

Mr Jenkins. — While the Community is not legally entitled to do it, maybe the Community would be suited to do it, that is a matter for debate. But I do not want to have a debate in the present urgent circumstances about vital matters of this sort as to what are and are not Commission powers. I want to encourage national governments to cooperate as closely as possible together by influence, and that seems to me more important than trying to rest on a very narrow foundation in order to suggest that there is some special Commission competence in this field.

Mr Fletcher-Cooke. — Quite apart from the legality question, is there not a geographical question here? Namely, that the guns and bombs that these terrorists get can be obtained quite easily outside the Community for purposes of use within the Community. The Community's boundaries, which are very sinuous and

tortuous, do not correspond with the frontiers of terrorism at all. In those circumstances, was it not right for a much wider grouping, namely the Council of Europe, to have taken up the question of a convention against terrorism, ratification of which is fortunately proceeding apace?

Mr Jenkins. — Here again there is a very difficult balance to be struck. It is certainly the case that in this field the Community is happily not a body which encompasses world terrorism. I mean, to take one obvious example, if one merely looks at Western Europe, Switzerland — not that it is a terrorist country, but from the point of view of transit — is a big hole in the middle. At the same time, the Community is operating much more closely together than elsewhere, and the considerations the honourable gentleman has put forward apply not exclusively to terrorism. One can say that in questions of trade, the Community is not an exclusive body, but an outward-looking body. What we have to do is to strike the right balance between the Community — which operates more closely together than do other countries — without thinking that the Nine is the whole world and that there is nothing beyond the Nine.

Mr Dalyell. — Is the President aware that some of us support him strongly in being hypercautious about taking on, or seeming to take on, sensitive issues which the Commission can do very little about. But, having said that, would he give his mind to the question of the relations that the Commission and the Court of Auditors ought to have with the police of the various nation States? Is he aware that some of us on the Sub-committee on Control by the Committee on Budgets are very concerned about this issue? If he asks why, I give for example, simply, Question No 23 by Mr Vitale, who is not with us, which raises a very important example as to why the Commission has to reflect on its relations with the national police.

Mr Jenkins. — I have had a quick look at Question 23 while my honourable friend has been speaking. I do not propose to answer that question now, but I will take that into account. But let me in summing up, make it clear that I believe the Nine together can and should do somewhat more about terrorism, which is a major question at present. I desire there should be the closest possible cooperation. I will, with such influence as I have in my present capacity, endeavour to help that forward. But I am not willing to get this bogged down into a sterile argument as to what is Commission competence and what is not.

President. — Question No 19, by Mr Brown:

What further steps have been taken to ascertain the present status of projects designed to develop a new safe polyurethane foam in Member States; which Member States are conducting such projects, and when is it envisaged that legislation can be introduced to ban the use of

President

present dangerous, highly inflammable toxic polyurethane foam from use in furniture and furnishing?

Mr Vouel, Member of the Commission. — (F) Parliament has already discussed this problem as a result of two questions tabled by the honourable Member. According to the information available at present to the Commission, the association of furniture manufacturers is engaged in research to find a less toxic and less flammable substitute.

Some success has apparently been achieved, but the types of foam developed still lack the desired physical properties.

In addition, research is being carried out at the Fire Research Station to develop a safer design and covering fabric.

The Commission is well aware that several factors have to be considered before measures are proposed to replace one product on the market by another.

It is not in the Commission's opinion that there are sufficient grounds at the present time for proposals to prohibit the use of polyurethane foam in furniture and furnishings, and to replace it by other products.

Mr Brown. — Whilst thanking the Commissioner for that comment, may I say to him that I am a little concerned about his complacency? There are large numbers of people, men, women and children, in my own country as well as in other countries of the Nine, who are dying daily owing to fires caused by this polyurethane foam, and I do not quite follow his argument that he is prepared to stand on the sidelines and watch this happening. The furniture manufacturers, of course, are, it is true, looking for solutions, but do remember that they are only looking for solutions that will not cost them any money. Therefore, I did in fact draw his attention to the fact that the Property Services Agency of my own Government have in fact now found a safe foam which is having a pilot study done on it, and I was hoping that he was going to tell me that he had been in touch with the Property Services Agency ...

(Interruption)

President. — You can only put a brief question.

Mr Vouel. — (F) I am sorry if my answer seemed complacent. I tried to be as specific as possible, but for Mr Brown's benefit I repeat that at the present time the Commission does not feel that on the basis of the available information it can say that polyurethane foam — which has a variety of uses, in other industrial sectors as well as furniture — must be replaced by another product. The reason is simply that, according to the information at my disposal and contrary to what Mr Brown apparently claims, no completely harmless polyurethane foam which is safe for both workers and those who use it has yet been

developed. It would be pointless at this stage, therefore, to issue a directive prohibiting the use of polyurethane foam when we have no idea of what to put in its place.

President. — Question No 20 is deferred to a later part-session.

Question No 21, by Mr Cifarelli, for whom Mr Bourdellès is deputizing:

Could the Commission state whether its communication of 24 February on the elimination of discrimination according to nationality in the matter of using Community footballers in national competitions — as is laid down in Articles 48 and 59 of the EEC Treaty and the judgment in the case *Donà y Mantero* — requires that, as from the beginning of the 1978-79 season, the various associations, and the Italian association in particular, should no longer apply such discrimination?

Mr Vouel, Member of the Commission. — (F) The Commission has had preliminary talks with representatives of the football associations of the nine Member States of the Community. These gave an undertaking that before the start of the next football season, 1978-79, they would submit to their ruling bodies the amendments necessary to eliminate all discrimination based on nationality in the case of Community citizens, especially as regards the signing of Community players or their inclusion in teams for national competitions. As was announced to the press on 24 February 1978, after the meeting, the associations of the nine Member States have insisted on a number of interim provisions, as regards the first divisions of the national leagues and the competition giving promotion to these, for those associations which currently have discriminatory rules.

Mr Bourdellès. — (F) Does the Commission intend to apply these provisions to clubs in divisions below the first?

How many foreign players will each club in fact be allowed to field?

Mr Vouel. — (F) In reply to these two supplementary questions, I can state that discrimination on account of nationality will be eliminated in all divisions other than the first.

With specific regard to the second question, I can say that as a result of the agreement with the national football associations an interim solution has been found whereby clubs in the first division, for an interim period at least, can field two players of foreign nationality.

Mr Hughes. — On the associated problem of cricket, would the Commissioner make certain that none of the proposed regulations would prohibit the Yorkshire County Cricket Club insisting that only persons born in the county of Yorkshire are eligible to play for Yorkshire at cricket? It may well be one thing to do

Hughes

something about First Division football, which is a mercenary sport of the worst sort, but for Yorkshire county cricketers it is essential that they are born in the county in order to be eligible to play for that club.

(Applause and laughter)

President. — Question Time is closed. I thank the representatives of the Council and the Commission for their statements.

9. *Regulations on milk and milk products*
(*resumption*)

President. — We now resume the debate on the report by Mr Herbert, on behalf of the Committee on Agriculture, on the common organization of the market in milk and milk products and the regulation relating to the Northern Ireland Milk Marketing Board (Doc. 116/78).

I call Mr Hughes.

Mr Hughes. — Listening this morning to the speeches of Mr Bourdellès, Mr Früh and Mr Liogier, I was somewhat disturbed at that mixture of ignorance, fear and jealousy which much of their argument portrayed. Firstly there was the suggestion that the Milk Marketing Board is a government organization. That is totally wrong. The Milk Marketing Board is not, never has been, a government organization. Secondly, there were clearly expressed fears that by cross-pricing for manufacturing purposes, it would be able to undercut the producers who did not have the benefit of such a scheme. These fears historically are wholly unfounded, there is no evidence that the milk marketing boards have ever abused their position to the extent whereby they have enabled milk to be supplied to the manufacturers at prices below real cost. Thirdly, the element of jealousy; it would appear from the press and from some of the speeches made earlier, that countries, and milk producers in countries such as the Netherlands and France, who had organizations analogous to if not identical with the milk marketing boards, regret that they chose to get rid of them under the terms of the Treaty of Rome, and are less than happy to see another country unwilling to do so, securing the future of these boards in their own interests.

Between 1964 and 1970, as a university lecturer, I gave a series of lectures on the development of agricultural support in Western Europe in the 20th Century, and in particular in the inter-war period and since the war. It is interesting to note that during the first half of this century, milk producers and milk consumers, throughout the Community tried to deal first with the problem of adulteration. There were too many suppliers of doorstep milk who were adding nefarious products like lime and water to it, and lowering the quality, and it was therefore essential as one of the

stages in protecting the consumer to have rigid controls over the quality of the milk. And that, certainly in the United Kingdom and in France, in the early years of this century, became a major scandal. There was massive adulteration of milk, and something had to be done about it. Secondly, there was the need to make certain that the milk supplied was of a reasonable hygienic standard, with the difficulties of TB and the requirements of pasteurization. I must say when I hear it suggested that the British requirement, for health purposes, of pasteurization are in reality simply a device to restrain trade, I find those suggestions wholly unacceptable.

(hear hear!)

I carry on my own neck the scar of drinking milk from TB-infected cows on my own grandfather's farm, and I am not going to allow my children or my children's children to be put at risk by importing milk into the United Kingdom of an inadequate health standard. I would require pasteurization to be made more strict throughout the Community. When one has had a tubercular gland as a consequence of drinking untreated milk, one is a little reluctant to see the health qualifications for milk supply to the household lowered in the pretence that this will provide better Community trade.

These was also the clear problem that the small milk-producers were at the mercy of ever-increasing wholesale dairymen. Within the United Kingdom, already in the 1920s, a certain number of major wholesale dairy companies, particularly in the London area, were acquiring a dominant, quasi-monopolistic position from which they were able to exploit the small milk-producers and the consumers simultaneously. In that long chain from the producer to the consumer which was analysed in every country, a number of different solutions arose. On the continent in general the tradition was to go to producer cooperatives, who saw the need to improve the quality of their product as a commercial necessity in order that they should be able to expand their sales. In Holland and Denmark, the contribution of producer cooperatives to the improving of the quality of milk delivered both as liquid and as milk products, is very notable, and no one would wish to underestimate the contributions of the cooperative movement in the dairying sector, not only in Denmark and Holland but also in France, Germany, both as to the quality of the product supplied to the consumer and as to the security of the market for the producer.

But in the United Kingdom, for various historic reasons, the patterns of trade in the 1920s, and early thirties, were different. Within the United Kingdom there were two areas of milk production from a geographical and time point of view. There was a large quantity of grassland-produced milk, particularly in counties like Cheshire, the great Cheshire plain around

Hughes

Crewe, and in the southwest; milk largely produced of grass, and in an early Spring flush. Here it was necessary and inevitable that a number of commercial factories should settle, and process this large quantity of milk. There were also urban dairies, producing milk inside the towns of artificially, that is non-grass fed cows, throughout the year, and who, in parts of the South-East of England specialized in producing winter milk from concentrate feed. The imbalance between the great consumption centres of London, the North-West, the Midlands, and the production centres both as to when they were producing great quantities of milk and the way they were producing it, meant that in the 1920s, within the United Kingdom, the opportunities for exploitation of the entire production of all the milk producers were enormous. Thus, in the early years of 1930s, this was replaced not by government act but by the milk producers themselves, availing themselves of the opportunities which a Government act provided them. No government has ever laid down that all milk producers in the United Kingdom must do this or that.

Under the Marketing Act of 1933 the Government said: if that is the will of the producers, then it shall have the statutory force of law. No government, said to every milk producer: you must only sell to the Milk Marketing Board. There is the history in the United Kingdom of a tomato marketing board, set up under the same procedure. After a time the members of that board, the producers, chose no longer to continue it, and it did not require any act in Westminster of Government or Parliament to discontinue the tomato marketing board. It was a decision exclusively available to the producers themselves, and that decision still rests with the milk producers within the United Kingdom. If they so chose, they could disband the Milk Marketing Board within a relatively short period of time, without reference to the United Kingdom Parliament, or to this Parliament. Therefore, to suggest, as is frequently suggested in much of the continental press, that the Milk Marketing Board was imposed by government upon the dairy industry, is wholly wrong. One of the ways they chose of satisfying the requirements both of the consumer and of the producer was to create at the farm gate a monopolistic power of purchasing. Now this is clearly, what our continental colleagues find difficult.

The producers insisted upon this because after due consideration of the British chain of production and wholesaling, — use for cheese or butter manufacture and liquid milk consumption — they found that this was the one way in which you could create effective control over the whole area of dairy products. Unless you had monopolistic purchasing then, no matter how else you tried to influence what went on in the market, you were at risk. Having created this monopolistic purchasing, it had then to be safeguarded in order that it should not be abused. It is interesting that no one has yet produced one jot of evidence that

that monopolistic position has been abused, either against the producers, the consumers or the manufacturers of dairy products. None of the butter and cheese manufacturers argues that that monopolistic position has been severely or even at any stage abused. None of the fears expressed in the Committee on Agriculture and in parts of the Herbert report can be backed by any hard fact.

As a consequence there has been, within the United Kingdom, for some 40 odd years, a regulated market. What has this achieved? Firstly, it has achieved a marvelous upgrading of the quality of the product served to the consumer and those who wish to undermine that element misunderstand the crucial importance of the marketing board. It is the milk marketing boards that have led the way in providing a quality standard, and when one sees a gold topped bottle one knows what one is getting. Uniformity of quality to the consumer is the first and essential role of the Milk Marketing Board. Secondly, they have served the producers in a number of ways: firstly, by the monthly cheque — a means of payment which, given the failure rate of wholesale dairies that existed in the 1920's, was sadly lacking. There are a number of farmers, and those in Cheshire, particularly, who could remember when a particular wholesaler went broke and they were left without being paid for their milk. The Milk Marketing Board has given security of payment to the farmers for what they sell to it. Secondly, at a technical level, on behalf of the producers, the role of the Milk Marketing Board through its artificial insemination service has raised the lactation yield, the quality of the milk herd in the United Kingdom, beyond any level which one could reasonably have expected a commercial enterprise, acting simply for commercial reasons, to have done. It has been protected by means of consumer committees from abusing its powers, it has served the consumer and it has served the producer and yet now we find it is under attack.

It is suggested first of all in this attack that the Milk Marketing Board is against Community law. This is why our first amendment puts a query about this. The amendment only says: maybe, because to the best of my knowledge it has not yet been proven before the Court that the provisions of the milk marketing boards are against the law — it is an opinion that they may be. Secondly, and I turn to my second amendment, it is suggested in the Herbert report as it now stands that the liquid milk sales in the United Kingdom are not a consequence of the existence of the Milk Marketing Board. No one who understands the actualities of the British situation can do other than believe, that only on the essential basis of the milk marketing boards could the super-structure of adequate quantities of liquid milk sales to the doorstep be maintained. Therefore my second amendment says that the liquid milk sales are based in essence on the continued existence of the milk marketing boards

Hughes

But, in order that we should accept the difficulties expressed by our continental colleagues over the possibility, however remote, of unfair competition, you will notice that I have further amendments seeking that arrangements should be found which prevent the possibility of the Milk Marketing Board abusing its monopolistic position. Neither the boards themselves nor any British MP would wish to use the milk marketing boards as a means of abusing the competitive position that their monopoly provides. Therefore what we try to do in these amendments in total distinction from the comments as they stand, — and I do not blame. Mr Herbert himself for the wording of the resolution in his name, — is to state that we would wish to see these marketing boards maintained. If it is difficult that is why there is an amendment that these proposals should be exclusive to the United Kingdom because I understand Mr Howell's view that they should be extended to the whole Community. I agree with him, but these proposals are at the moment exclusive to the United Kingdom. This is why I want to reintroduce that.

As a matter of historical development the United Kingdom chose one particular way of solving the dilemma between the producer and the consumer and it did this largely to benefit both. The history of 40 years or more of the Milk Marketing Board is that it has achieved that end marvelously well, and to attempt gratuitously to destroy that structure when you have a milk surplus seems to me to be the height of folly.

(Applause)

IN THE CHAIR : MR HOLST

Vice-President

President. — I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Mr President, it was most interesting to hear that résumé of the history of the Milk Marketing Board from another British colleague. But it has also been most instructive to follow the change in the attitude of the Commission to the UK milk marketing boards over the years.

For a very long time the Commission was opposed to the UK milk marketing boards but after very careful study, including visits to the board itself, and a certain amount of doctination from my very old friend on my right here, it concluded most emphatically that these boards are not only in the interest of the UK producers, but they are also in the interests of all European Economic Community producers. The Commission therefore put forward proposals which would have enabled the boards to remain. Unfortunately, these proposals, as this House knows only too well,

were overturned in committee and we in the Conservative Group are now seeking, to restore them — and also what we understand is Mr Herbert's original draft report — by means of the 8 amendments standing in the name of the Conservative Group: Amendments Nos 7 to 13, the most important of which is Amendment No 9 which seeks to delete paragraph 1. For the moment, Mr President, I am proposing to move these formally, lest I should come up against the rock on which my honourable colleague, Mr Hughes nearly foundered.

It is in the interests, not only of the United Kingdom, but of the whole Community that sales of liquid milk should be as high as possible. Nowhere in the world, let alone in the rest of the Community — with the honourable exception of Ireland — is the proportion of liquid milk sales anywhere near that of the United Kingdom. For example, in England and Wales 59.4 % of total milk output is sold on the liquid market, compared with 11 % in Germany, 10 % in France and 7 % in the Netherlands and Denmark, and this is largely due to the highly efficient workings of the milk marketing boards which even out the inequalities between the producing and consuming areas. In the south and east of England, and round the large conurbations, there is no facility for milk processing, only liquid milk and cream and the local production is insufficient to supply even this market. Huge supplies therefore have to be carried from the milk producing areas of the west. The exclusive right of the board to purchase milk enables it to make sure that in all circumstances, through drought or blizzard, the vital liquid market can be maintained by diverting supplies whenever necessary from other areas and other customers. 'The pinta habit' as we call it in the United Kingdom depends above all on the regularity and convenience of supply and were this regularity to be disturbed liquid sales to the doorstep might never recover.

When surpluses exist throughout the Community, it cannot possibly be in its interest to allow doorstep sales and the high consumption of liquid milk to be damaged in the United Kingdom. Because of its nationwide structure, the board can organize regular supplies of milk to liquid processing dairies, and can conduct a sales promotion campaign unequalled in any other country of the world. The boards are, moreover, entirely democratic bodies, since all producers vote in the election of board members and the election of regional committees to advise the boards. But in the United Kingdom, unlike the rest of the EEC, the board controls only the collection and purchase of milk from farms, and the milk is sold to a number of major suppliers and processors, for example, UNIGATE and Express Dairies. Now, these powerful purchasers could well beat down the price to farmers if the farmers were not organized by the board. This

Kellett-Bowman

would by no means help the consumer, since milk producers would simply go out of business and prices would then rise because of a scarcity since at this stage it would be very difficult for milk producers in the United Kingdom to form new voluntary cooperatives to compete successfully with the powerful sales organizations. Moreover, the board still licenses small producer retailers, particularly in my own part of the north-west, known as the 'green top' producers who produce and bottle milk on the farm from tuberculin-free brucellosis-free herds. There are not many of these producer retailers left but whilst they in no way undermine the efficiency of the Milk Marketing Board, they do improve the viability of some smaller farms and provide greater choice for the housewife, a choice which I may say she greatly values, as the number of letters I have received have shown to me only too clearly.

Now, Mr Früh said in his remarks this morning that he envied us our boards and wondered why such boards should be allowed in one country alone. Well, we have no wish, Mr President, to be selfish. We would be delighted if Germany and other Community countries would adopt our system thus increasing liquid milk consumption and eliminating surpluses, to the benefit of all. And this is a solution that we have been urging on other countries for the past years, in fact since we have been honoured to be Members of the Community.

Now, I turn to the amendments tabled by my group. We wish to put forward Amendment No 7 and at the end of the preamble, to add a new recital:

whereas any serious disruption of the United Kingdom's milk marketing system would lead to a rapid reduction in sales of liquid milk.

This we believe, Mr President, to be absolutely indisputable. We then go on to add a further recital to the preamble,

whereas this could only aggravate the Community's dairy surplus situation.

And then a third recital to the preamble,

whereas the milk marketing boards have operated successfully for 45 years, maintaining a high level of prosperity for dairy farmers whatever their scale of operations.

I remember the stories of my late husband, who was a farmer, telling me that they had to send the milk to Liverpool for sixpence a gallon, including the cost of the transport. It was from that sort of situation that the Milk Marketing Board saved the farmers in the United Kingdom, and that is the sort of security to which others have referred, and which we should be very unhappy indeed to lose.

Now, as I said in my earlier remarks, perhaps the most important of our amendments is Amendment No 9, in which we seek to delete paragraph 1. That we regard as being the vital thing because we believe, as a previous speaker has said, that this matter has not

been tested in the Court, and we do not believe that our boards are necessarily against the Treaty. Then we have Amendment No 10: we wish to change paragraph 2 to read as follows:

considers that the high level of consumption of liquid milk in the United Kingdom is due to a distribution system which encourages sales and notes that the milk marketing boards have been the essential factor in establishing and maintaining this distribution system.

We then have Amendment No 12, in which we seek to replace paragraphs 5, 6 and 7 with a new single paragraph, and Amendment No 13, in which we seek to add a new paragraph 7 (a), which:

Calls for the 55 % liquid sales criteria to be changed to a requirement for 40 % liquid sales, applicable to the United Kingdom as a whole, so that a single proposal may apply to all milk marketing boards, without need for derogations; disapproves of the proposal that producer retailers with less than 150 cows may exempt themselves from board control simply upon request in writing; and calls for the maintenance of the principle whereby a small minority of producers may call for a vote in place of the Commission's proposal for an automatic 5-yearly poll of producers.

President. — I call Mrs Dunwoody.

Mrs Dunwoody. — Mr President, can I begin by saying that the amended Herbert report shows this European Parliament at its verbose, hypocritical and dishonest worst. And the reason is very simple, and has been spelt out during this debate. We are not actually talking about the milk marketing boards because no single speaker of any other nationality has sought to make out a case against them, in terms either of agriculture or of marketing, or of protection of the interests of the producers and consumers. Indeed, Mr Früh, himself said, 'I envy and admire your board'; those were the words that he used. Why? — because he knows very well that in a Community which has more liquid milk than it can conceivably deal with, the milk marketing organization is the only one that works, and it is about time that we stopped being utterly hypocritical in our discussion of this subject. What we have seen today, and what we saw earlier in the week when this report was amended, is a deliberate attempt to destroy machinery which could actually deal with some of the problems of too much milk and too many dairy products, and not to put in its place anything which is more efficient. No, no, what do we have? We have a mealy-mouthed suggestion that we should take half of each system and put them together, and it will be bound to be better. The Commission knows it would not be better, the Members of this Parliament know it would not be better, and those of the Committee on Agriculture who took the trouble to come to Britain and see how the milk marketing boards work, know damned well that it would not be better, because the logical argu-

Dunwoody

ments that have been put forward in defence of the way that the producer boards work have not been answered by any single speaker in this debate. What is more, if I may say so, I regard it as *outrageous* that anyone *dare* talk about lowering the health standards, of the marketing of milk in Britain.

My honourable friend talked about tubercular glands —, I spent a year of my life as a young woman, flat on my back because at that time it was still possible to sell milk which was not correctly treated. I had the good luck to be ill at a time when streptomycin had just been invented, and so unlike many of my countrymen and women, I did not die of tuberculosis. But if anyone seriously suggests that we should lower the health standards in Great Britain in order to allow in milk which is of inferior quality, then I tell them one thing: I would organize tomorrow a boycott of every Community product coming into Great Britain if I thought that that was the case. I would ask the unions to black at the ports any shipment of milk. I would do everything in my power to make it impossible for those people who are here today, protecting their vested interests, irrespective of the cost to the consumer, to unload their produce on the British market. And I say so because I believe very strongly that what we have seen is a straightforward commercial attack. We are not talking about the rights and wrongs of marketing butter and milk. You can go into any British grocers today and see German butter, you can see French cheeses, you can see any kind of dairy produce from every Community country. Not, I may say, that you can go into German shops and see British dairy produce, into French shops and see British butter, but you can see them in my country. Why? Because people get monetary compensatory amounts for selling them to us, and because in my country, we do not put up artificial barriers to trade, rather more than can be said for our Community colleagues.

So I say this to you, when you talk about free circulation of milk, — and it is the farming community I am addressing myself to, and particularly the members of the agricultural community —, just be aware that there are other people who have a voice in these matters. We are sick in Great Britain, sick to death of the constant intervention on agricultural produce, and we are not going to put up with any more of it. 5 000 British women, at the behest of the Commission, answered a little questionnaire, saying, 'Do you feel that the Community has affected your life in any way', and 85 % of them said, yes we do, *adversely*. And I tell you, that it is precisely this kind of nonsense that we are debating today, that makes rubbish of all your plans for direct elections, because if you think you are going to persuade the ordinary consumer that what is happening in the Community is in their interests, then you have to throw this rubbishy document out of the window right now, because if you do not, what is going to happen is very simple: there will be a

response, the size of which does not seem to have been taken on board. If you really want to market produce better, far from destroying the one thing that actually works, why do not you institute it in your own countries? What is stopping you? No one has demonstrated that there is any distortion of competition, no one has suggested that there is any barrier, all you suggested is that you are actually going to seek to destroy a British mechanism because it is a British mechanism, and at no point have you demonstrated any sensible or proper reason.

Now it may be that in fact because the British Minister of Agriculture has got enough guts and enough intelligence to fight very hard on these particular subjects, we shall not have to undergo the nonsense that this Parliament is asking for. But, it is actually rather more important than whether we win or lose the vote. It is a question of good faith. My country has seen changes in the way it has marketed meat, bacon, dairy produce, every conceivable consumer good — tariffs put on early vegetables, tariffs put on fruit, difficulties raised for the consumer in every area, and they can demonstrate that it has put up the price of food time and time and time again. If you seriously want to give some demonstration of good faith, then I say to you one thing: stop thinking about the farmer, because the farmer is protected by this kind of machinery; stop pretending that you are talking about the distortion of trade, because what you are really doing is seeking to open another market to countries that already have adequate markets of their own. And for once in your lives, send out from this Parliament a message which is actually based on good sense. Say to the British consumer: we have looked at your system, we think it works, we admire it and we are seeking means of using the same system to dispose of the mountains of dairy produce in other countries of the Community.

If you do not do that, all the millions of units of account that you intend to spend on propaganda are of no importance whatsoever, because the consumer knows that in fact you do not mean it, and I agree. Get rid of this report and get rid of it *now*.

(*Applause*)

President. — I call Lord Brimelow.

Lord Brimelow. — Mr President, my intervention will be I think slightly less polemical in tone than that of my friend, Mrs Dunwoody, but I suspect equally argumentative in content. I am going to do a little propaganda for the House to which I belong, the House of Lords. It really does pay close attention to Community proposals. It has a Select Committee to consider Community questions, with sub-committees, and it publishes quite detailed reports, of which I suspect too all little notice is taken in this Assembly. I have before me a report containing evidence taken in the House of Lords on this subject. I would like to

Lord Brimelow

begin by quoting a brief remark made by Lady Elliott, who herself takes a very keen interest in agricultural matters. She points out that the United Kingdom consumes more milk per head than any other Community country except Ireland. Then she said :

When we went to see Mr Lardinois some years ago, I asked him what they did to try to sell milk. He said they did nothing at all. I said, well, the Milk Marketing Board is a wonderful selling organization. Have you never thought of doing something like that? He then said something about not being in favour of compulsory joining of a milk board all of which I thought was complete rubbish. Then I said to him: how are you going to sell milk? I was told by someone that you could buy milk in ironmonger's shops in Germany. It seemed a little odd. There is no real push in Europe for the selling of milk, or at least there was nothing three years ago that Mr Lardinois could produce, when I asked him that question. That is one of the great arguments in favour of the continuation of the Milk Marketing Board.

Well, that was the opinion of one very experienced member of the House of Lords. But to go into rather more substantial and business-like detail: when Mr Silkin commented on the Commission's proposals just before last Christmas, he said that insofar as the proposals seek to preserve what we regard as the two essential functions of the milk marketing boards, namely their compulsory powers to purchase and their ability to pool prices, then we give the Commission's proposals a broad welcome, because obviously this is something to which successive governments in the United Kingdom have attached considerable importance. But that is not to say that the proposals as they stand are perfect, or not in need of modification. It would be strange if they were. We have reservations which are shared by the industry, both from the producer and the distributive side. Essentially, these reservations bear on those parts of the proposals which seem to threaten the stability of the system, a stability which the proposal claim it is their intention to maintain.

In the first instance, there is the provision regarding the percentage of liquid milk consumption. Already we have a problem with northern Ireland, for which there is a specific separate proposal, but one can foresee in the not too distant future — that is in the Scottish Board and the Aberdeen and District Board — that there could be considerable difficulty in meeting the 50% criterion. It would not require a very large increase in overall production for these two boards to find themselves in considerable difficulties under the proposed regulation. Assuming that the falling trend in milk consumption were to continue for any length of time, then the same could apply in England and Wales and to the North of England Board. Now if you ask why the Commission has hit upon these figures — of 55 and 50% — I think one has to ask what the Commission is trying to achieve. They feel that it would not be *communautaire* to put forward a proposal which says, merely, we authorize the United

Kingdom to do such and such a thing. Therefore they have to define it in general terms, so that the regulations have a form applicable to all the Member States. It was the intention of the Commission to apply criteria which were in fact applicable only in the United Kingdom. But we are in fact faced with declining consumption, and it is not certain that all our boards can meet the criterion of 50%. It was an arbitrary figure, and I think that probably it is the wrong figure.

The second area where we have reservations about the drafting of the proposal is the provision that there should be a poll of producers every five years. We are not by any means convinced of the need for a five-year poll. Our existing milk marketing scheme already contains provisions under which a given number of producers can call for a poll, and in such circumstances a poll would have to be held. We would say that that provides for a more sensitive test to producer opinion than a rigid five-yearly poll. The Boards themselves consider that regular polls would create problems. The nearer you got to every five-year date when a poll became imperative, you would find it difficult to take long-term provisions going beyond the time of the poll. This would be incompatible with continuity of good administration.

At present all the producers are licensed by the Board to operate in the way they do, subject to certain conditions, and these conditions enable a fair balance to be kept between the producers and the retailers. But the proposals would give an exception to a large category of producers — the figure of 150 cows stated by the Commission is three times the average United Kingdom herd size. It is twelve times the Community average, and the officials concerned in the United Kingdom do see dangers that we might create a class of producer which might have a downward spiral effect on the stability of the Boards. We think that wholesale producers might be tempted to become producer-retailers. They could then cream off the best part of the market, and the pool price would drop. You would get the support for the Board being weakened, and in this way the advantages of our present system would be undermined. These are briefly the reasons for which we regard these proposals as in need of very careful further examination. We cannot vote in favour of them at the present time I would like in conclusion to say, Mr President, that the ten minute limit on speeches when there are fourteen amendments before the Assembly makes it impossible to discuss each amendment with the attention which it deserves. We are not allowed to discuss the amendments when the time comes to voting. All that is possible is for the rapporteur to give an opinion, and I do think that a little attention might be paid to the question of the adjustment of time-limits to the number of amendments before the House.

President. I call Mrs Ewing.

Mrs Ewing. — Mr President, I feel here there is a degree of a pigeon-hole philosophy about this whole debate. It is as if a definition has been drawn up, and those who have said that our milk marketing boards are against the definition and therefore bad, have failed to take something into account, — the ingenuity of human beings, which can produce a good system which may be against the definition. I would like to put that point to the critics of a system which unaccountably does work in the health of citizens and in particular, in the health of growing children.

Now, one of the things that is undignified about the Community is food surpluses in a world where one third are starving. The Community can never have total dignity as long as we are wasteful in the production of food. I have been brought up in a part of the world where we were taught that to drink milk was good for us. We did not know then about surpluses because in my way of life, there were no surpluses. I represent an agricultural constituency. I have some thousands of farming interests and people employed in the industry. I have creameries and cheese producers. There is not one voice — not one — whether they be from farmers or from the drinkers of the milk, or from the mothers of the children, raised against the existence of the Scottish Milk Marketing Board. In the recent snow, which you may have read about, where whole towns were cut off for some days, it may interest you to know that the milk got through. It is perhaps a small thing to say but we live in a northern climate. It is reassuring to people who live faced with this kind of hazard to know that the daily milk is actually going to be delivered.

I would like to identify myself with the speeches this afternoon from Mr Hughes and Mrs Dunwoody and Mrs Kellett-Bowman and indeed, all the speeches that have been made. I would like to turn in particular to the fact that I cannot find anything undemocratic — and I speak as a lawyer, very aware of democratic rights, — I cannot find anything undemocratic in a system where producers elect the members, where regional committees are elected to advise the Board, where aggrieved individuals — producers or consumers — can go to arbitration, where we have a consumers committee overlooking the Board, where we can have a poll as to whether the Board is fair: and I may say that has never been exercised, we have not needed to, because it works so well. I cannot find anything undemocratic in it. That must be good. I would like now to turn to the health question. I was brought up in the black city of Glasgow, in poor circumstances. One generation before me, my father was able to tell me that in every Glasgow school, and it would not be only Glasgow, there were children who would never grow up. In every family there were aunts and uncles who had died of the scourge of TB. There were people even in my time who got it and

never grew up. That was one of the facts of our life. I am not saying that Scotland was unique in any way because I believe Denmark had quite a problem with TB and were earlier on the go with BCG injections for their children ahead of Great Britain. Nevertheless, with that folk memory, there was nothing but applause for governments that introduced free milk for children in schools, and it was possible to notice the difference in the health of children. The war and rationing, and the strictness of the doling out of the available food, may have contributed to our common-sense, but nevertheless, now no matter where you go in the poorest area of our cities you will find rosy-cheeked children and milk is a contributory factor. There is no way that people with my folk memory are ever prepared to take a backward step on the health of our children.

Now I did not know I had yet another thing in common with Mrs Dunwoody, my colleague, except my friendship, but that is that I also had TB at the time, as she said, when streptomycin was available. This might be relevant for this House, because I was a university student brought up rather to eat well, yet TB came back as a scourge into the University of Glasgow with the ex-servicemen who had been eating regularly in the army and who came back to eat irregularly. Immediately there was a weakness in the diet of the people, TB was a scourge right through that University, and hundreds in one year, — the year I got it — were victims of TB. It is lurking around us, and milk — TT milk as we have it — is one of the safeguards that we have found to combat this scourge which is no longer a scourge. Rickets is non-existent. But the minute you relax on the consumption of milk, these diseases are lurking there to come back, and fill the vacuum. The system of the daily milk in bottles we consider to be extremely hygienic. Something has been said about the quality. Let's face it, the quality of our milk is good. It tastes good, it is good for us. The propaganda is good — 'Drink a pint of milk a day', I think almost all of us automatically do it. Not here, perhaps, not in other places but in our ordinary lives, even Members of Parliament in the House of Commons, drink a pint of milk a day. The propaganda is particularly important for children.

I do not think any-one who has genuinely visited the Scottish Milk Marketing Board and who knows what went into the build-up of this system could be critical. If you were to go to a remote western island like Tyree, and know that farmers had to be persuaded by dedicated veterinary surgeons of the need to slaughter their beef so that they would have TT tested herds, if you knew what had gone into the establishment of TT tested milk, if you knew the amount of pain and suffering to individual farmers to build up the system, I do not think you would be critical of it. I do not think in any way we are prepared to cut back on health and that is a very serious thing for anybody

Ewing

who says it is internationally-minded to ask anyone to do so. I think you are making yourselves a laughing stock in the average mind of the average drinker of the pinta back home. There is no way that we could explain, — no matter how pro-European we might be in other directions, — that you want to remove from us an efficient daily delivery of something that is health-giving to our children, which is the most important thing of all.

I will just say it is stable, it works, and all I could wish for the other Member States is that they could emulate us, and have as efficient a system as we have got, achieved democratically, and for the best of motives.

President. — I call Mr Mitchell.

Mr Mitchell. — I would like to start off where my colleague, Lord Brimelow, ended. Lord Brimelow referred to the lack of time to discuss in detail the amendments that we have down. As some of these amendments are in fact in my name, I would just like to refer briefly to them. The first amendment we come to is to paragraph 1, and it says: Replace the words 'are incompatible with Community law' by 'may be incompatible with Community law'. I think that is very important, because I think no proof has yet been given to us or to this House that in fact the United Kingdom milk marketing boards are incompatible with Community law. I should be very interested, when the Commissioner replies to this debate, if he would spell out in clear detail exactly in what ways the milk marketing boards, in his view, are incompatible with Community law. There is an element of doubt in this, of course, and that is why the amendment is moved to clarify this particular situation.

Our second amendment is to paragraph 2, where we replace the words, 'and not to the Milk Marketing Board' by 'and is based in essence on the continued existence of the Milk Marketing Board'. Now that is a directly contrary amendment, obviously. It is a matter of opinion. I think that previous speakers in this debate have shown quite clearly that we believe very strongly that the consumption of milk and the sale of milk in Britain, and the fact that next to Ireland we have the second highest consumption per head, is very largely due to the Milk Marketing Board system that operates in our country. And although I did not agree entirely with the speech of my honourable friend, Mrs Dunwoody — there were points in her speech with which I found myself in disagreement — I would make this point, that surely the far better way was to say that if this is the most efficient way, let every other country in the Community adopt our system of the milk marketing boards — if it has been shown that it is the most efficient. Then perhaps we would not have quite such a liquid lake — milk

mountain, I suppose, of milk and the surpluses that we have at the moment.

Third amendment is to add at the end of paragraph 3 the words that are on the amendment. We believe very much that the milk marketing boards as such do not abuse the system and do not offend against Community law as such. We do not believe it is an obstacle to intra-Community trade. Perhaps the Commissioner, again, in his reply will tell us exactly why he feels that it does.

The other one I particularly wish to refer to is paragraph 6. We have moved the deletion of paragraph 6. Paragraph 6 says, 'Feels that the provisions of the Treaty and of the existing market organizations must be respected'. We moved the deletion of it because frankly we do not know what it means. It is a vague phrase which tells us nothing at the moment. I am sure there is something behind that, but I do not think Mr Herbert really explained what it was. Perhaps somebody else could explain. As I never like in documents things which I do not understand, or do not know what the words mean, we have moved the deletion. There is quite a lot more that I could say. I have not referred to a couple of the amendments, but in view of the time, and I know that there are a quite number of other speakers who wish to speak in this debate, I leave it there.

IN THE CHAIR : MR DESCHAMPS

Vice-President

10. *Votes*

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

I put to the vote the motion for a resolution contained in the *Patijn report (Doc. 65/78): Elections to the European Parliament by direct universal suffrage*.

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the *Cointat report (Doc. 113/78): Budgetary questions concerning the Court of Auditors*.

The resolution is adopted.¹

I put to the vote the *Patijn motion for a resolution (Doc. 84/78): Human rights in Uruguay*.

The resolution is adopted.¹

We shall now consider the motion for a resolution tabled by *Mr Fellermaier and Mr Prescott (Doc. 109/78): Human rights in Argentina*.

¹ OJ C 131 of 5. 6. 1978.

President

I call Mr Fellermaier.

Mr Fellermaier. — (*D*) Mr President, after the lively political arguments that arose in this House yesterday over the Socialists' request for urgent procedure, and after the Christian-Democratic Group, the Conservative Group and the Group of European Progressive Democrats tabled an amendment seeking to delete paragraph 3, i. e. the content of what the political resolution ...

President. — Mr Fellermaier, on what basis have you asked to speak ?

Mr Fellermaier. — (*D*) Mr President, I can tell you with pleasure. I asked to speak in accordance with Rule 33 of the Rules of Procedure.

After the three Groups tabled the amendment seeking to defeat the very core of the motion for a resolution in contradiction to what had been decided — with the participation of these three Groups — in the Political Affairs Committee, we consider that the vote on this motion for a resolution should be taken by roll call in accordance with Rule 33, and on behalf of my Group I should like to request such a vote.

President. — Mr Fellermaier, are you requesting a vote by roll call on the paragraphs to which no amendments have been tabled, on the amendment and the motion for a resolution as a whole, or simply on the motion for a resolution as a whole ?

Mr Fellermaier. — (*D*) On the motion for a resolution as a whole.

President. — We shall therefore vote by roll call on the motion for a resolution as a whole.

I put the preamble and paragraphs 1 and 2 to the vote.

The preamble and paragraphs 1 and 2 are adopted.

On paragraph 3, I have Amendment No 1 tabled by Mr Klepsch, Mr Lücker, Mr Deschamps, Mr Martinelli and Mr Santer on behalf of the Christian-Democratic Group (EPP Group), Mr Scott-Hopkins on behalf of the European Conservative Group, and Mr de la Malène on behalf of the Group of European Progressive Democrats, seeking to delete this paragraph.

I put Amendment No 1 to the vote.

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

Amendment No 1 is rejected.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

I call Mr Fellermaier.

Mr Fellermaier. — (*D*) Mr President, after this unambiguous decision by the majority of Members, I withdraw my request for a vote by roll call.

President. — I call Mr Klepsch to give an explanation of vote on behalf of the Christian-Democratic Group (EPP Group).

Mr Klepsch. — (*D*) Mr President, I am staggered by the way in which this matter has been discussed and voted on in this House. A number of allegations have been made against members of my Group which give an inaccurate version of events. Equally inaccurate are the repeated assertions that I personally voted for the motion in the Political Affairs Committee. I did not take part in the vote in question, and I believe the same also goes for other members of the Political Affairs Committee, who were indeed present for part of the Committee meeting, but not for the discussion of this point. I should like to state this clearly.

The central element in our position is as follows :

On many occasions my Group has stood up for — and is determined to continue to do so in future — the preservation of basic and human rights, and for those who are deprived of such rights, and has done so with all the means available to this House. We have done so whenever we could. Together with my colleague Mr Granelli, I myself drew attention most emphatically to the situation in Argentina at the joint meeting of Latin American Parliaments and the European Parliament, stating with reference to actual cases that not only do we not approve of these violations of human rights but we condemn them in the strongest possible terms, and shall do all in our power to bring about the necessary changes.

But my Group is of the opinion that this involves all violations of human rights, in whichever part of the world they occur, and that it is not right to single out individual countries. We have just witnessed the unanimous condemnation by the House of the violations of human rights in Uruguay, and the same unanimity would of course also have been expressed with regard to the violations of human rights in Argentina if there had not been this business about a hearing.

On this question of a hearing, I should like to say the following on behalf of my Group. It is the first time that it has been suggested in this House that a hearing should be held on matters outside the Community and Community politics. This would create a precedent. If it is decided to hold this hearing, it would then be irresponsible not to hold similar hearings in all similar cases, unless one took the view that violations of human rights should or should not be denounced according to political expediency. Therefore we see no point in introducing a new practice,

Klepsch

the consequences of which are, in my Group's view, difficult to foresee. For this reason my Group has decided to request that paragraph 3, which demands this hearing, be deleted.

For us as the Christian-Democratic Group it is clear that we fully agree with all the other sections of the motion for a resolution. I should like to point out that solely on account of this paragraph 3 we shall not give our approval in the final vote...

Mr Prescott. — On a point of order!...

President.— Mr Prescott, you may raise your point of order as soon as the speaker has come to the end of the five minutes to which he is entitled.

I call Mr Klepsch.

Mr Prescott. — On a point of order...! You have to take a point of order!

Mr Klepsch. — (D) ...I do not know, you complained so bitterly about us yesterday that you really ought at least to listen to the cause of your complaints.

(Mixed reactions)

Mr Fellermaier. — (D) So where were you yesterday evening? You neglected your duties in the House!

(Mixed reactions)

Mr Klepsch. — (D) Mr Fellermaier, your demagogic assertions... I have no intention of repeating what I already said to you today in the Bureau.

(Mixed reactions)

Mr Fellermaier. — (D) The point is, Mr Klepsch, that you were absent from the sitting but now wish to table a motion!

(Prolonged interruptions)

President. — Mr Klepsch, you have one minute left.

Mr Klepsch. — (D) I crave your indulgence, Mr President, my statement is almost finished, even if these immoderate and unseemly interruptions continue.

I assure you most emphatically that the sole reason why my Group will vote against this motion for a resolution in the final vote is that it contains this unprecedented demand for a hearing. I ask you to note that. My Group holds the view that, if Parliament adopts this motion for a resolution today, it will establish a precedent for the future which my Group will most certainly follow.

(Applause from the right)

President.— Before the vote, I can only call speakers for explanations of vote.

I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, ladies and gentlemen, the Socialist Group is in favour of the motion for a resolution as a whole because its members in the Political Affairs Committee decided on this basis to demand this hearing, together with members of the Christian-Democratic Group, the Liberal and Democratic Group, the European Conservative Group, the Group of European Progressive Democrats and the Communist and Allies Group, and with only three abstentions.

(Applause)

We are remaining true to ourselves. The position which we as Socialist Group adopted previously in Committee is the same as that which we are objectively maintaining in this Assembly.

It has been left to other political groupings, which in Klessheim Castle in Salzburg joined together to form the European right-wing cartel...

(Mixed reactions)

...to say something different in this House from what they said in the Political Affairs Committee. My Group supports the objective which the Political Affairs Committee hopes to achieve with this hearing, namely to obtain, by means of statements by eminent persons, more accurate and detailed information about the violation of human rights in Argentina. The Political Affairs Committee has stated that it took this decision with three abstentions and the rest in favour, which means that those who have now changed their minds also voted in favour. It considers that the most appropriate way to deal with the motion for a resolution is in a public hearing, which would subsequently enable the European Parliament to get a better picture of the events in Argentina and at the same time to make European and international public opinion aware of the violation of human rights in that country.

The following subjects are to be discussed at this hearing — and the list meets with the wholehearted approval of my Group: firstly, the disappearance without trace of thousands of people; secondly, the detention of Argentinian citizens who have not been charged with or convicted of any crime; thirdly, the torture of prisoners; fourthly, the problem of Argentinian refugees. The Political Affairs Committee has decided to base the public hearing principally on the documentation drawn up by *Amnesty International*, which was awarded the 1977 Nobel Peace Prize and whose independence and integrity are recognized throughout the world. This is the basis for our approval of the Political Affairs Committee's resolution, which we have taken over in its entirety.

(Applause from the left)

President. — I call Mr Scott-Hopkins to give an explanation of vote.

Mr Scott-Hopkins. — Sir, I have been not only in my own Parliament but in this Parliament for quite some time, and I have never heard such a flagrant abuse of our Rules of Procedure as has just been made by Mr Fellermaier, in what is known as his explanation of vote.

(Applause from the right)

He spent most of his time attacking other groups, including my own.

(Mixed reactions)

That is not an explanation of why he is voting as he is and he now has got the courtesy to listen to me, he spends his time shouting from a sitting position. Not that I mind that at all!

And I am quite used to the honourable lady shouting as she very rarely has anything worth listening to anyhow.

(Laughter)

But as far as the position of my group is concerned, I do not intend, Sir, to reiterate what I have said last night, I stand by what I have said, what my group now believes after exhaustive study of this question at a group meeting. We came to the conclusions which I myself put forward to the House last night and we shall vote accordingly.

There are two other matters though, which I wish to raise at this moment. First of all, vote by roll-call was asked for by Mr Fellermaier. I do not understand why he is now withdrawing that request — unless he is doing it for some political purpose of his own, which I would imagine is the case. If he is so foolish as to do so, I would take up his request and ask for a vote by roll-call.

(Applause from the right)

The second matter is that — and perhaps I may receive some enlightenment from you, Sir — this House has now voted to have a hearing. It is within your cognizance that the Bureau decided to vote against supplying the money for that hearing. As I understand it now, whatever hearing may be held, will be held at the expense of those who are going there or at the expense of the Political Affairs Committee, because that has not been voted in this resolution. There is no money whatever being voted in this resolution and the Bureau did, in point of fact, refuse the money at its meeting this afternoon.

(Protests from the left)

President. — I call Mr Durieux.

Mr Dureix. — *(F)* I shall be extremely brief, Mr President.

I support what has just been said by Mr Scott-Hopkins and Mr Klepsch and I think that, to make things clear, we need a vote by roll call.

President. — Ladies and gentlemen, I would draw your attention to certain provisions of the Rules of Procedure.

Paragraph 4 of Rule 33 states that 'a vote by roll call shall be valid only if one third of the current Members of Parliament have taken part in it', i.e. 67 Members. If this is not the case, paragraph 5 of the same rule states that it shall be 'placed on the agenda of the next sitting'.

We shall now draw by lot the name of the Member who is to begin the vote by roll call.

The roll call will begin with Mr Johnston.

I ask the Secretary-General to call the roll.

(The roll call was taken)

Does anyone else wish to vote?

I call Mr Prescott.

Mr Prescott. — Could you assure me, Mr President, that you recorded my vote? And would you check whether, as I noticed in counting around the room, there is more than the quorum required and whether everybody voted, for or against, or abstained? There are more in the Chamber now than is required for a roll-call vote.

President. — Mr Prescott, only 59 Members participated in the vote. As this does not constitute a quorum, the vote is not valid.

Pursuant to Rule 33 (5) of the Rules of Procedure, it will be included in tomorrow's agenda.

We shall now consider the motion for a resolution contained in the *Tolman report (Doc. 102/78): Monetary compensatory amounts.*

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1, I have the following three amendments:

— Amendment No 1 tabled by Mr Scott-Hopkins, Mr Howell and Mr Corrie on behalf of the European Conservative Group:

This paragraph to read as follows:

'1. Approves the Commission's proposal';

— Amendment No 7 tabled by Mr Liogier and Mr Hunault, the text of which is identical to the previous amendment.

— Amendment No 6 tabled by Mr Hoffmann on behalf of the Socialist Group:

This paragraph to read as follows:

'1. Welcomes the Commission's proposal';

What is Mr Tolman's position?

Mr Tolman, rapporteur. — (NL) Mr President, I consider these three amendments to be destructive, and they should therefore be rejected.

President. — I put Amendment No 6 to the vote. Amendment No 6 is adopted.

Consequently Amendments Nos 1 and 7 become void.

On paragraph 2, I have Amendment No 2 tabled by Mr Scott-Hopkins, Mr Howell and Mr Corrie on behalf of the European Conservative Group :

This paragraph to read as follows :

'2. Repeats its view that market unity should be restored as quickly as possible.'

What is Mr Tolman's position ?

Mr Tolman, rapporteur. — (NL) Part of the text of this amendment coincides with the beginning of the committee's version of paragraph 2, but the second part of the latter is omitted. In my view, this weakens the amendment, and I would advise against its adoption.

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

After paragraph 2, I have the following three amendments seeking to add three new paragraphs :

— Amendment No 3 tabled by Mr Scott-Hopkins, Mr Howell and Mr Corrie on behalf of the European Conservative Group :

2a. Considers that direct cuts in MCAs must play a fundamental role in restoring market unity.

— Amendment No 4 tabled by Mr Scott-Hopkins, Mr Howell and Mr Corrie on behalf of the European Conservative Group :

2b. Points out, however, that such cuts cannot restore market equilibrium sufficiently quickly in certain sectors which have been particularly hard hit by the trade and production distortions caused by MCAs.

— Amendment No 5 tabled by Mr Scott-Hopkins, Mr Howell and Mr Corrie on behalf of the European Conservative Group :

2c. Approves in consequence the Commission's proposal, since it will allow quicker restoration of equilibrium in these sectors, thus easing the way politically towards direct cuts in MCAs.

What is Mr Tolman's position ?

Mr Tolman, rapporteur. — (NL) I advise the House to reject these amendments also.

President. — I put Amendment No 3 to the vote. Amendment No 3 is adopted.

I put Amendment No 4 to the vote.

Amendment No 4 is rejected.

I put Amendment No 5 to the vote.

Amendment No 5 is adopted.

I call Mr Dewulf.

Mr Dewulf. — (NL) Mr President, I should like to give an explanation of vote on behalf of my Group for the final vote. As you know, we shall be very pleased to vote for the motion for the resolution contained in the Hoffmann report, which constitutes a sound basis for the gradual dismantling of monetary compensatory amounts. However, as stated during the general debate, we cannot go along with the Commission in its proposal that the price level to be taken into consideration for the calculation of monetary compensatory amounts should in principle be changed in the way it recommends here, so that the matter would be dealt with on a day-to-day, case-by-case basis. The Commission has at its disposal other means of overcoming certain difficulties in price fixing, if necessary, on a year-to-year basis. But as it stated itself in its explanatory statement, this system involves too many risks.

President. — I call Mr Tolman.

Mr Tolman, rapporteur. — (NL) Now that paragraph 1 has been rejected and replaced by a different text, it means that there is a fundamental change of meaning. As rapporteur I must state that I shall now have to vote against the motion for a resolution.

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

The resolution is adopted.¹

We shall now consider the motion for a resolution contained in the *Hoffmann report (Doc. 104/78): Representative conversion rates.*

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

The preamble and paragraphs 1 to 3 are adopted.

On paragraph 4, I have Amendment No 1 tabled by Mr Liogier, Mr Hunault and Mr Herbert on behalf of the Group of European Progressive Democrats :

This paragraph to read as follows :

'4. Approves the principle of dismantling compensatory amounts, but over a maximum period of 3 years;'

What is Mr Hoffmann's position ?

Mr Hoffmann, rapporteur. — (D) Mr President, I would like to suggest that the House reject this amendment. The wording of paragraph 4 in the motion for a resolution as tabled allows for the possible reduction of the 7-year period, but the maximum of 3 years proposed in this amendment seems unacceptable to me.

¹ OJ C 131 of 5. 6. 1978.

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

Amendment No 1 is rejected.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

I put paragraphs 5 to 9 to the vote.

Paragraphs 5 to 9 are adopted.

I put the motion for a resolution to the vote.

The resolution is adopted.¹

11. *Regulations on milk and milk products (continued)*

President. — The next item is the continuation of the debate on the Herbert report (Doc. 116/78).

I call Mr Brown.

Mr Brown. — Mr President, it is always a little unsatisfactory breaking up a debate as we have done, having very many other issues to discuss and then coming back to the debate, but I would like to tell the House that I support very much the views that were expressed by many of my friends prior to the votes that have taken place. But I oppose Document No 116/78 because I find it quite incomprehensible. It is filled with apparent paradoxes. I draw attention to some of them, There seems to be no disagreement that the milk marketing boards in the United Kingdom have been helpful with regard to distribution and to consumption, and yet in the preamble the report says: 'whereas it is in the interest of the Community to maintain an increased consumption of milk and milk products'. That is precisely what the Milk Marketing Board does, and therefore I do not quite follow why the rest of the argument then goes on that one ought to get rid of that system. Then paragraph 1 of the resolution makes an assertion which I do not see and I certainly have not heard any reason for accepting. It recalls that in certain respects the legal framework and function of the United Kingdom Milk Marketing Boards are incompatible with Community law. Well, I hope the Commissioner will explain to us why and how he thinks that is true. I do not believe it is true, and certainly I would expect a little more than just the Commissioner's proof. I expect to have the term of law presented, and the legal definitions, and certainly assertions by law that it is wrong. The best information we have at the moment is that it has not been seen to be wrong, and therefore it must clearly be tested before the courts if one is going to make the assumption made in this paragraph 1. Therefore I reject that, because there are no grounds at the moment for such an assertion. You may, as the

amendment of my colleagues put it, say that it may be incompatible but what you cannot do is to assert that it is.

On the second one, 'considers that the high level of consumption of liquid milk in the United Kingdom is due to a distribution system which encourages sales and not to the Milk Marketing Board'. There has been no evidence adduced for that at all. No evidence whatsoever. It would be very, very hard to produce it, too. Because of the integrated work of the Milk Marketing Board, they are an integral part of the distribution system. Therefore to try assert, as is done in paragraph 2 by certain people — I do not know where they are getting their information; I do not know whether they have worked in the Milk Marketing Board; I do not know whether they have worked in our own distribution systems in the United Kingdom — this assertion is clearly quite wrong. Therefore I would vote against that, because it is unfounded.

Thirdly, we get paragraph 6, which says it feels that the provisions of the Treaty and of the existing marketing organizations must be respected. Well, I suppose I could accept that, it says it feels that the existing marketing organizations — that is, the milk marketing boards — should be respected. So if that is not what it means, then somebody had better explain to me what it does mean, because certainly as the words are at present on the paper that is what I must accept. Therefore I do not understand why they are calling on the one hand for the elimination of the Milk Marketing Board and yet, in paragraph 6, they are commending it, and arguing that it must be respected.

I do not believe, Mr President, that this document adds very much at all, it is rather a silly document. It apparently begins with an assertion of which there is no proof. It then introduces political polemics in order to try and be seen to be a little right by making statements that it believes will encourage people to believe that they had done some work. Therefore I hope the House will reject the document, because it is, as I say, filled with paradoxes, it is filled with half-truths — but not to say untruths — and certainly it will not add one jot or tittle to the improvement of what it lays out in its preamble: 'whereas it is in the interest of the Community to maintain and increase consumption of milk and milk products'. Nothing that follows will achieve that. Therefore within its own terms, it is seen to be failing in its objective.

President. — I call Mr L'Estrange.

Mr L'Estrange. — Mr President, I would like to say that we all know that the United Kingdom representatives have been pressing hard to be allowed to main-

¹ OJ C 131 of 5. 6. 1978.

L'Estrange

tain their existing Milk Marketing Board. Politicians and parliamentarians, they are quite entitled to do that. They claim that these boards contribute substantially to the present high United Kingdom liquid milk consumption, and I dare say that they are correct in that. The boards as they stand are likely, according to some people, to be found invalid under the Treaty on the grounds of obstacles to trade and infringements of producers' rights and invalid under the milk market organization because of their price polling arrangement. Time will tell whether the boards are legal or not. The Commission has proposed allowing marketing boards in the milk sector as producer groups, so long as they operate in the region where 55 % of the milk goes for liquid consumption and 80 % of the producers voluntarily support the boards. Such boards would have the exclusive right to purchase milk in those regions.

Now the Irish attitude is that we are anxious to maintain high liquid milk consumption in these areas, that is in both Ireland and the United Kingdom especially, where it is traditionally high. We can therefore support measures to ensure this. We will not, however, support rules to maintain milk consumption in one region being allowed to undermine the common milk market. We would like to have bankable insurance that milk marketing boards which operate in both the manufacturing as well as the liquid market will not be in any position to skim off some of the price for milk for liquid consumption, which enjoys a substantial premium, in order to cross-subsidize milk going for manufacture into butter, skimmed milk, powder, cheese etc. We would also like to have assurances that the unique position of the boards will not unduly influence market outlets. If the Community is to legalize the boards then the detailed arrangements must be so clear-cut that cross-subsidization and undue influence are avoided. The best way to do this is to confine the operation of the boards to the liquid-milk trade. In this they clearly play a very important role, which it is in the interests of all milk producers in the Community to maintain.

When Mrs Dunwoody speaks about the lowering of standards, I want to say that nobody in this Parliament wants to see lower standards for milk. I want to say that I believe the milk produced and sold in any of the EEC countries — that is in Ireland, France, Denmark, Germany or any other country — is as pure and as wholesome as the milk that they produce in Great Britain. We all want to improve the standards of the milk produced and sold and not to lower them in any way. I want to say, that we should not be influenced by the threats of Mrs Dunwoody. She should remember, as far as her Government is concerned, that they are not negotiating membership of the EEC, but are now full members of the EEC, and that you

must abide by the rules of the game. If you are playing the game, then you must abide by the rules.

(Interruption)

You say, more's the pity. You have stated that food prices have increased. Of course they have. So has the price of Leyland cars. So has the price of other British manufactured goods that you are exporting throughout the world. They certainly have increased. So have wages increased. It might do no harm to say that Britain — British people — got cheap food from Ireland for a long number of years, and you had very, very little pity for us or for our farmers during those hard and trying years during the economic war, and other years when you got our cattle and our produce at a very cheap rate.

(Further interruption)

Well now, that is not rubbish — it is quite true. Quite true. You got them at give-away prices for a long number of years, because we had nowhere else to sell them. Thanks be to God, today we can sell them throughout all Europe, and we have competition between the consumers of other European countries who want our produce and the British consumers, and we are getting a fair and a just price on that account. You should remember that you could not always continue to get cheap food — let it be from New Zealand, Australia, or from Ireland or from other parts of the world. Do you not admit that the farmer and his wife do not work five days of the week for 40 or 42 weeks of the year, but — those engaged in dairy work — seven days of the week, and very often for 52 weeks of the year. Surely to God, they are entitled to fair play and to justice. That is all we ask, and that is all that we see.

IN THE CHAIR : MR YEATS

Vice-President

President. I call Mr Früh.

Mr Früh. — *(D)* Mr President, ladies and gentlemen, I did not want to prolong this debate, but I now feel obliged to make a few additional comments as a result of the various attacks made on me.

It is really remarkable that this Milk Marketing Board should have got everyone so excited in the last hour or so. Would it not have been more sensible to use the four-year transitional period to deal with the question in depth rather than — and the Commission can't escape a share of the blame here — to bring it up as a proposal at the last moment, to include it in the price negotiations at the end of the transitional period and to serve it up in a package of proposals in what is very close to being a form of blackmail?

Früh

But this is neither the time nor the place to talk about that. I must just refer to another matter, something which seems to me to be very dangerous. My remarks are addressed to you, Mrs Dunwoody, and to certain other speakers. Please don't get me wrong, but I simply cannot leave this point unanswered. The impression was given in the course of this debate that a comparison was being drawn between a high-quality system in one country and a much lower level in the other countries, particularly as far as health regulations are concerned. I really don't think we can let this pass without comment. Mention was made of TB and all sorts of things, of healthy and endangered children. If people outside take this seriously, we shall eventually reach a situation in which nobody here drinks milk any more and the milk is imported from Britain because it is said to be so much better and healthier. I beg you please, for the sake of objectivity, not to present things in such an unbalanced way. After all, here on the continent the standard of processing and packaging of milk and the health standards on dairy farms and everywhere else is very high. I find it really senseless and unfair to adopt this line of argument.

I have one final comment to make. You went on, Mrs Dunwoody, to speak of artificial barriers in relation to monetary compensatory amounts. I don't think I need to dwell on this point. We all know very well that it is the green pound which makes the monetary compensatory amounts necessary, and that this system — far from setting up barriers to trade — has made a decisive contribution towards keeping your rates of inflation down at a difficult time. This has been a Community achievement and I do not think we should turn it around and use it as a stick with which to beat the Community.

So I would appeal to you once again to take an unemotional and realistic view of things, and not to come here at the last moment and expect us to give the nod to a system for one country which the other countries cannot participate in, because these self-same countries had in the past to give up their own systems in favour of a Community system.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, as an outside observer, I too have been rather surprised at the emotional tone of this debate. Although I am no expert, I may perhaps for that very reason be in a good position to see things rather more objectively.

You must not think that the Commission's decision on what proposals to make was taken lightly. On the contrary, they are the result of a lengthy gestation period. We saw the difficulty of the monopoly position of the Milk Marketing Boards, and the consequent problems under Article 85 of the Treaty. There is no point in deliberately shutting our eyes to

this. You can keep saying over and over again that this is a wonderful institution and that it keeps the milkman coming and that we get good milk delivered to the doorstep and that our children are happy and free of tuberculosis. This is all wonderful, and no doubt true. But turn it whatever way you will, you still can't get round the monopoly issue.

We did not want to be unreasonable about this, as we too have an interest in seeing that milk consumption is high and that the skimmed-milk powder mountains do not grow any further. The British skimmed-milk mountains, incidentally, are not all that small either. You have the highest level of self-sufficiency in skimmed-milk powder in the whole Community. So we said to ourselves, let us see whether we can work out a compromise. In the past we had obliged the other Member States, which had similar forms of marketing organizations, to give up these organizations, and we naturally took this into account in formulating our proposals. Thus with considerable diffidence we arrived at the proposals which are now before the Council. They are intended to provide the Council with a legal basis which will be compatible with Article 85 of the Treaty. In effect, we have asked to be allowed to keep these Milk Marketing Boards in existence, but only on condition that certain criteria are complied with.

Basically, there are three criteria. There must be no distortion or interference in the free exchange of goods within the Community, and this is an extremely important point, because if we were to allow such distortion or interference to arise, we would be back in the bad old days when everyone did what they wanted.

I heard a remark this morning in the debate which disconcerted me somewhat, to wit that the Community's milk problems will only be solved once every Member State of the Community has developed a system which is similar to the Milk Marketing Board's, but incorporating production quotas for each country. I must say that such a view is completely incompatible with the Treaty of Rome. If you then reply that in that case the Treaty of Rome will have to be modified ... Well, all I can say is — the best of British luck; you are certainly going to need it! I can only warn all those concerned against pursuing a policy on this or any other point which amounts to trying to rewrite the Treaties. The Commission will not support you nor, what is more important, will the Court of Justice.

The second criterion is that the Community's rules on competition must not be affected by any solution we may come to. Here again, we must always have an eye to the practical application. The third criterion is that we cannot throw over the rules on which the Community's milk policy is based merely because of the Milk Marketing Boards. That is a non-starter. It reminds me a bit of the soldier who was out of step with the rest of the company and who insisted that, on the

Brunner

contrary, he was the only one who was in step. That attitude will not do. We cannot simply discard all our rules. We shall have to strike a balance between satisfying the British interests in upholding the Boards and maintaining the basic price, intervention and marketing mechanisms in the Community's milk sector.

That is our proposal to the Council, a proposal which was decided upon only after much hesitation. In taking this decision, we went a long way towards meeting the claims of those who — because of the traditional practices in the United Kingdom, and perhaps also for reasons of efficiency — want to maintain the kind of organization which exists at the moment in the United Kingdom. I would say that the proposal is a very fair offer. I believe it to be worth thinking about and perhaps also worth accepting. This is particularly true because, with this regulation we must create a legal basis which will hold up in the European Court of Justice. That will be our biggest problem, and it is one which we cannot resolve here, neither Parliament, nor the Commission, nor the Council of Ministers. We are trying to create such a legal basis. We can only hope, for our sake and yours, that it will be valid.

President. — I call Mrs Dunwoody.

Mrs Dunwoody. — Thank you, Mr President. I am delighted with this new arrangement whereby we all get the chance to speak twice, but I should say quite frankly that, if the Commissioner will forgive me, his speech is nothing short of bizarre. There is absolutely no point in saying as the Commission consistently do, of course we think it is a good system, of course it sells milk, of course it actually does the job it sets out to do, and we think it should be allowed to continue, but we are not going to allow it to because we are going to alter the rules under which it operates in such a way that it cannot actually continue.

And as to the two defensive speeches that we heard, both from Mr Früh and my Irish colleague, may I just say they had one thing absolutely in common — you have neither of you made the slightest attempt to say why, in destroying the machinery of the milk marketing boards, you actually think you are going to support in any way whatsoever the further or the better marketing of liquid milk and milk products. I would just, in conclusion, say one thing to my Irish 'friend', in my country you have, as I have said before, dairy produce from every other Community country, and if Ireland really feels that she does not want to sell on the British market, I am sure that that is a problem that we shall have to face with the best grace that we can, because at present it certainly looks as if there are more than enough people prepared to sell dairy produce to the British as fast as they can go.

I think frankly that this debate has been a classic example of how the Community continually involves

itself in things which it cannot in any way improve but which it seeks to destroy for the worst possible reasons, and that is not in any way a constructive development.

President. — I call Mr Dalyell.

Mr Dalyell. — As you know, I never provoke or dispute or quarrel with my Irish colleagues — at least when an Irish senator is in the chair, I do not. But I would like to put a question to Mr Brunner. He invokes competition policy, now is there not a wider consideration here? After all, in the 1950s and 1960s the ideas and concepts of competition policy served the Community extremely well. I do not deny that for a moment. But now we are in a rather different situation. Are we sure that the old ideas of competition policy have not very often been overtaken by events? Because it seems to me to be the same syndrome as we had over the temporary employment subsidy. Here was Mr Vouel telling us that we should not do this, and at the same time the Commission is wringing its hands and saying we must create more jobs in the Community, we must do something about youth unemployment. Really there seems to me to be a basic inconsistency here. I also agree very much with Mrs Dunwoody on this, that the Commission, as Roy Jenkins said during Question Time in a slightly different context, must be very careful about meddling where it is unnecessary. God knows, there are enough jobs that the Commission should be doing. Concentrate on those jobs. Do something properly and well about steel, and do not stir up hornets' nests where it is less than necessary.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, the very fact that I referred to the second criterion, whereby the rules on competition must not be distorted, shows that we are perfectly capable of reconciling the Treaty with the requirements of the prevailing economic situation. It is quite wrong — and I must deal with this point now that Mr Dalyell has raised it — to be wary of all the rules on competition, or even to want to suspend them merely because there is a recession, or because restructuring is necessary. This would be economically unwise and would probably prolong the recession and in the long term result in a loss of jobs. If we apply protectionist measures in all fields affected by the recession or requiring structural reorganization, in a few years the Community will be incapable of competing with the rest of the world. Protectionism is no panacea. It should only be applied very carefully and temporarily in certain sectors. It cannot be a permanent solution, and if we completely relax the rules on competition during the recession and allow those engaged in trade and commerce to forget that they even exist, we shall emerge from the recession to find that Europe's economic and employment situation has changed.

Brunner

So we must be careful. The Common Market is founded squarely on the principles of the free movement of goods and competition. In certain sectors situations may arise which call for temporary corrective measures. We shall have to consider very carefully when such measures are no longer required, for if we fail to do this we shall probably end up by destroying what the Community has taken twenty years to achieve, and surely none of us wants that.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I cannot believe that Mr Brunner was actually addressing himself to anything to do with the Milk Marketing Board in his last intervention. I do not wish to quarrel with him over protectionism in dealing with the intervention from Mr Dalyell. I do not think I disagree with what he was saying. But what Mr Dalyell was saying, and well I think, was — and I did not quite see the relevance of what the Commissioner replied — for God's sake do not interfere with something which is working well. Do not wreck something which is providing a service which is wanted by the people whom it is serving, and indeed there is no need to meddle with something unless there is a purpose in doing so. To use the broad brush of the competition policy as the reason for meddling seems, in this particular context, to be out of proportion altogether. The Milk Marketing Board, the citizens of the United Kingdom, are all prepared to compete, indeed they do. I think it was Mrs Dunwoody, and this time I agree with her, who said that in the United Kingdom there are more brands of butter than you will find in any other country, even the Commissioner's own. This is surely evidence of the free flow of competition, and what we are saying, and always saying, and I will not weary the House or the Commissioner any more is: all right make adjustments if they will satisfy you. I think they are bureaucratic adjustment. I do not think they are really necessary. But if you want to make adjustments, fine, but for heaven's sake leave the structure as it is. Do not break something which is wanted by producers, by the wholesalers, by the retailers, by the housewife, by the British people. That is essential, and for heaven's sake, you will not gain anything, rather you will destroy something which has taken not 20 but 50 years to build up.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, ladies and gentlemen, I am very sorry to detain you so late in the evening, but what you are doing is unfair — at least, that is my personal opinion. We in the Commission have been at pains to devise a regulation which ultimately may or may not have legal validity — we don't know, but we have gone to a great deal of trouble. Now some of you are saying that we are being over-technocratic and that we

are basing the entire system on abstract concepts such as competition, and that the system is a good one anyway, which functions well and the people want to keep it. I must say I get rather nervous when people talk about 'what the people want'. I have had this uncomfortable feeling throughout the debate. Virtually every MP who has spoken here has gone down on his or her knees to the electors. Fine, they are entitled to do this, but not one has made a single comment on the difficulty of reconciling the system with the present Community system — not one! I want to say quite frankly — late though it is — that I think this is quite wrong.

We in the Commission have tried to adopt a pragmatic not a technocratic approach, and have tried to make allowance for the views of people in the United Kingdom. You must, in all fairness, admit that it is not easy to reconcile the British system with the existing rules and please do not make things difficult for me when I am presenting the other side of the argument, as I must, by insisting that we are being abstract, technocratic and destroying a system which functions well and which prevents children from getting tuberculosis.

So please, let's keep things in proportion.

President. — I call Mr Mitchell.

Mr Mitchell. — I only have one sentence, Mr President. I think the moral that we can draw from this debate is that we should devise a system whereby Commissioners are elected by the people of Europe and not appointed by the governments.

President. — I call Lord Brimelow.

Lord Brimelow. — Mr President, I thank the Commissioner for a thoughtful reply, but I should like to follow up one line of thought — looking ahead. Mr Dalyell suggested that the rules of competition, which were devised a long time ago for a different Community, might in some respects not be completely applicable today. I think we ought to be looking forward to a Community which will be larger and even more complex than the present one.

The rules for the present Community were devised by six Member States which were at more or less the same level of development, and the Treaty of Rome reflected the practices and the requirements of those six Members. If that Treaty had been drafted by nine Members it would have been a very different Treaty, and if the Treaty had been drafted by the Nine plus the three applicant members it would have been yet more different. What we are going to be faced with is a Treaty which is inflexible, confronting a reality which changed and is going to change still more, and I think that the inelasticities which the Commission is legally bound to observe are going to give rise to increasing tensions. This is a serious matter which we

Lord Brimelow

should not deal with in any polemical spirit — I tried to make my own speech non-polemical — but I think there are matters here where we ought to be looking forward and trying to cooperate with the Commission in dealing with problems which the very rigidity of the Treaty will make it difficult to handle.

President. — I call Mr Lange.

Mr Lange. — (*D*) Mr President, amid the chorus of British voices I should like to let another voice be heard, and perhaps thereby come to some extent to the aid of Mr Brunner and the Commission.

Lord Brimelow has just said that if the Treaty had originally been drafted by the Nine, it would have been quite different. However, I would remind you, Lord Brimelow, that Britain applied to join the Community — in full knowledge of the Treaty — in the early 1960s, very soon after the EEC and EURATOM were founded. I therefore feel that you are wrong in saying that the Treaty would have been very different if it had been drawn up by the Nine. Moreover, the three countries which later applied for membership — one of them for the second time — were perfectly aware of the provisions of the Treaties, and the legislation arising from them has since then not developed nearly as much as you suggested. The provisions were accepted not only by Britain but by Denmark and Ireland as well, and I could mention provisions in the Treaty which caused difficulties for each of the original member countries, including my own.

The matter under discussion is of a similar nature, though it involves a different sector — a monopoly which must be eliminated even though it can be said to function well. Saying 'it works well' is not enough — we must all try together to remove once and for all the national barriers to trade within the Community. If we comply with the wishes of those who have spoken here, a barrier will remain completely intact in one sector, whether justifiable or not I do not wish to discuss at the moment. However, I believe that the spirit of the Community would be better served by a different approach, even if it is not stipulated in the Treaty.

As I have said in this House on several occasions, the Treaty or Treaties in my view imply three things: firstly, a Community constitution; secondly, directly applicable law including, for example, Articles 85 and 86 referred to here; and thirdly, a working programme.

The Treaties allow so much scope that we probably fail to grasp their full potential. A great deal can be done without altering a single word, but one principle must be maintained at all costs, and that is that trade in all products throughout the Common Market — or rather, the Community — should ultimately be subject to similar conditions and that no part of the Community should be closed off from the rest, in part or in whole. I think we should think hard about this.

I do not want to go into the details of this question, but merely wished to make a few general remarks, as I feel that the matter should be discussed in a wider context — as Mr Brunner endeavoured to do — that is, in the context of the report, in order to clarify the Commission's present aims and the aims which the Member States pursued when the Community was founded and later enlarged. Even the present applicant countries are very well aware of the significance of the Treaties and of the legislation arising from them.

Obviously, the character of the Community changes on enlargement, and different compromises have to be reached from those originally agreed upon by the Six. This is undeniable, but I don't think that a Member country, or indeed, a group of countries, should seek to assert its position so unyieldingly. It is essential, therefore, that we try to respect each other's points of view, in such a way moreover, as to avoid economic and social hardship.

President. — I call Mr Brown.

Mr Brown. — I only want to add just one word because the Commissioner very fairly tried to put the point to us that he thought we should go a little easy on these matters. But I do not think he has answered the point; if any Member State deliberately established a system with the objective of frustrating the Community rules and established practices, then I think there is an argument that it must stop. One must conform. But what the Commission is faced with is a system of marketing and distribution which is working well. There is no disagreement at all about that. If one says: of course you have to consider changing it to conform with the existing system of the Six, and if that system were proven to be grand, and clearly in advance of the system of the Milk Marketing Board, then that would make sense too. Or if the Six, in establishing their system had considered the Milk Marketing Board as an alternative suggestion and rejected it at that time, for the failings within the system and therefore sought to have their own, then that would make sense.

But what does not make sense at all, is to say well, we know it is a good system, we know you have had it a long time, we know it works well, we have nothing to replace it with, but you are going to get rid of it because somehow we think it is in fact against what we want. Now I do not believe that is a tenable position. As the Commissioner knows, I have a high regard for him where energy is concerned, but I am bound to say that if this is going to be his judgment on agriculture and that this is the way he wants to decide on the Milk Marketing Board, then he is making a bad mistake. And I can only urge him to come back with me on energy, because we get on well on that.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — I dare to take up an agricultural matter nevertheless. I have been trying to produce a case which meets your wishes more than half way, but you make it difficult for me, so I have to state the case from the beginning as it is.

The original case was that, as of the 1 January 1978, this would end and when the United Kingdom acceded, everybody considered the transitional arrangements being based in this sector upon this very provision. And now we are trying to do better from your point of view. We are doing a sort of belly-dance, let us face it. It is a belly-dance because it is not so easy, as Herr Lange has pointed out, to make this arrangement which we are suggesting now suitable for the legal requirements. And maybe in doing this belly-dance, the Commission at the end will look a fool. It may be very worthy of the case that at the end the Court will say all of what you have been suggesting and what the Council has decided is not consistent with the Treaties. And then you will have to change the whole thing. But we do not want this to happen, and we are trying to set up criteria which will make it possible to sustain a case before the Court if need be. You make it terribly difficult for me, and I do not know why. Because this has nothing to do with the milkmen nor with children nor with TB. It is just an honest attempt by the Commission to try to meet the requirements of lots of people in the United Kingdom. This is what our whole proposal is about. So this has nothing to do with technocracy, it has nothing to do with our being abstract or not being elected or God knows what. This is just an honest attempt to try to strike a compromise. And let us hope it will be sustained at the end. I am not so sure but at least we have tried.

President. — I note that there are no more requests to speak. The vote on the motion for a resolution together with the amendments which have been tabled will take place at the end of tomorrow's sitting. The debate is closed.

President. — The next item is the report by Mr Lemp (Doc. 59/78) on behalf of the Committee on Agriculture, on

- I. a directive amending Council Directive 72/159/EEC of 17 April 1972 on the modernization of farms
- II. a directive amending Council Directive 75/159/EEC of 28 April 1975 on mountain and hill farming and farming in certain less-favoured areas
- III. a directive amending Council Directive 75/160/EEC of 17 April 1972 concerning measures to encourage the cessation of farming and the re-allocation of utilized agricultural area for the purposes of structural improvement.
- IV. a directive on the programme to accelerate drainage operations in the less-favoured areas of the West of Ireland

I call Mr Hughes, who is deputizing for Mr Lemp.

Mr Hughes. — I hope that this debate will arouse much less heat and passion than the previous one on the Milk Marketing Board.

You will recall that our late colleague, Cees Laban in 1976 provided this House with the first report on the guidelines on the agricultural structural policy of this Community. This report by Mr Lemp which, since he has to go back to Bonn, he has asked me to present to the House, is in many respects a follow-up to that 1976 report by Mr Laban. It is not an attempt to open up a whole broad problem of structural policy and the role that structural policy should have in the agricultural sphere, but deals with a series of relatively minor adjustments to the way that structural policy is implemented on the ground in various Member States. It is not calling into question the need to have a bigger and better structural policy, which this House has continually called for, but for which there is some reluctance to provide the money on the part of various Member States with the Community.

President. — I call Mr L'Estrange to speak on behalf of the Christian-Democratic group.

Mr L'Estrange. — I would like to begin by just stating that the four proposals we have before us here tonight are designed to ensure more effective implementation of the agricultural structural policy in the light of experience over the last few years.

From the proposals producers in problem areas of the Community will receive greater assistance. Farmers in mountain areas will also receive greater assistance. Farmers who do not qualify for the farm modernization scheme may receive transitional aid for a period of five years, which will be given for drainage operations in the West of Ireland. Now, Ireland is predominantly an agricultural country and indeed the standard of living of our people, more than any other country in the EEC, depends on what we produce and export. Therefore, we welcome the proposals with reservations on two of them, and believe they could be improved on. We also welcome the recent further proposals from Mr Gundelach to improve farming conditions in the West of Ireland Council Directive 72/159 on the modernization of farms provides for a selective system of aids to farmers practising farming as their main occupation, who submit a development plan showing that on completion of the plan the level of earned income per man-work unit will be at least equal to that received for non-agricultural work in the region. The aim granted to such holding covers investment necessary for farm development and is reimbursed from the EAGGF to the extent of 25 % costs. The directive 72/159 as amended allowed Member States, in the period up to the end of December 1977, to grant certain aid to transitional farmers who are

L'Estrange

unable to submit a development plan and are not eligible for a return in benefits up to the same level as that available for developing farmers.

Under this provision in Ireland, such transitional farmers have been eligible for the same level of aid as development farmers for land improvement, fixed assets and farm accounts. Similar aid at a lower rate is available for transitional farmers who are eligible for retirement pensions, the commercial farmers whose income per labour unit is already above that of non-farm workers. There is no assistance from the EAGGF towards aid for commercial or transitional farmers.

The Commissioner's proposal now is to continue the authorization to Member States to grant aid at the higher level to transitional farmers who are not eligible for retirement benefits, but require the aid to be subject to two new conditions. I want to say that as much as 80 % of Irish farmers are in the transitional category. I consider that present level of aid should continue to be available to them. We are disappointed with the proposals in this regard and I believe that they should be improved. It is particularly disappointing that there is still to be no Community assistance for structural improvement for the great majority of Irish farmers, although Ireland's progress in implementing the farm modernization scheme compares not unfavourably with that of other Member Countries.

It is difficult to see the scheme as a success unless many more farmers are put in a position to submit development plans. In my view, Community assistance for farmers who have prospects of achieving development status is essential. If significant progress is to be made in this area. Indeed, I would propose that we have a new category called a pre-development category — if possible. For my part and I want to say that I agree with the Irish Farmers Association an investment limit of 10 000 u.a. is totally unacceptable when the aid has been financed solely from national resources.

Now, the purpose of Directive 75/268 that deals with farmers in the disadvantaged areas, is to ensure that farming is continued, and that a minimum population is maintained in the countryside, preserved in mountain areas and other less-favoured areas. It provides for a number of measures designed to offset national disadvantages — we certainly have that in poor land and poor soil and a very poor income in certain parts of our country. These include annual compensatory allowances per livestock unit granted to farmers who undertake to farm their holdings for at least five years. Higher investment aid for agricultural holdings, and aid for joint investment schemes are designed to improve pasture land, and further production. Expenditure on compensatory allowance per livestock unit of cattle and sheep is recouped to the extent of 35 % from the EAGGF in the case of Ireland and Italy, and

25 % in the case of other Member States. Other expenditure is recouped to the extent of 25 % in the Community generally. The Commission now intends an increase for Ireland and Italy to 50 % and we welcome that. As far as Ireland is concerned, after the inadequacy of the Community support in the past, this has been a major innovation in the operation of this scheme. We therefore welcome the proposal and we acknowledge it to be a step in the right direction. Indeed, we are glad that the Commission recognizes the special problems of these areas: that the land is poor, the people have a low income, and that governments of the two Member States need greater help and assistance from the EAGGF. We are thankful and we hope that it will do more to keep the people on the land and help to right the imbalance between the incomes of the poor and the wealthier regions.

I want to mention the other proposal, Directive 72/160 — as regards farm retirement schemes. We also welcome this proposal, especially when we consider that there are some 992 000 farmers in the nine EEC countries, with farms of 20 hectares or less over the age of 65. It will give younger farmers with more progressive ideas an opportunity to acquire lands and indeed, we hope, make better use of it. As far as Ireland is concerned, in view of the very small number of development farmers in the West of Ireland, it is pleasing that the principle has been accepted by the Commission of EAGGF assistance for the payment of annuities in that area when the released land goes to transitional farmers. However, it is disappointing that the recoupment proposed does not extend to premiums and is to be at the much lower rate of 25 %. I would appeal to have the rate increased to 65 % and that the recoupment at that rate would be available for premiums as well as for annuities.

As regards the proposal for drainage, the proposal is a new Council directive dealing only with drainage in the West of Ireland. A five-year programme is envisaged during which aid would be available from the EAGGF for the cost of arterial drainage up to a maximum of 30 000 hectares per catchment area; the cost of field drainage up to 100 000 hectares, and the purchase by the agricultural cooperatives of drainage machinery up to a maximum of 5 % of the eligible expenditure on field drainage. The rate of contribution from the EAGGF would be 25 % for machinery and 50 % for drainage expenditure, subject to a maximum of 7 million u.a. that would be roughly £5-18 per hectare for field drainage. The total cost to the EAGGF is estimated at about 21 million u.a. — about £15 200 000.

This proposal represents a significant recognition by the Commission of the problems of the West of Ireland. We welcome the Commission's initiative and trust that the proposals will be adopted by the

L'Estrange

Council with a minimum of delay. There are other regions, bordering on this in County Clare, and some regions in the Shannon basin, that we would ask the Commission or the Commission representatives, to visit and especially the Shannon which floods thousands of acres of land and, if it were possible, to include part of that.

In conclusion, I want to say that I am glad the Commission recognizes that there are poorer areas that need extra help. If the people are to remain on the land, with 6 million unemployed in Europe, I believe the Commission policy is the right and the proper one. In the past, agricultural policy favoured areas in which a relatively good economic and social structure already existed. I am delighted now to see more money going to the poorer and more backward areas. So, I hope in future that we cannot be accused of making the rich richer and the poor poorer. These proposals before us today are planned to redress the imbalance of income between the poorer and richer areas and as such I think, should be welcomed by all.

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

Mr Liogier. — (*F*) Mr President, ladies and gentlemen, the first thing we have to do is to express our satisfaction that the Commission should at last have taken the initiative of producing a first report on the implementation of the EEC directives on structural policy in the various Member States; and proposing for the first time improvements which it has not been possible to introduce since 1972.

These directives form the framework of Community structural policy in the agricultural sector and if the structural problems arising in that sector are to be solved, these directives have to be successfully implemented. This is essential to the extent that these directives concern the modernization of farms, the cessation of farming, the reallocation of farm land for purposes of structural improvement and ensuring that farmers are better informed at the socio-economic level.

Unfortunately, their implementation has not got off to a satisfactory start.

To begin with, their adoption has been repeatedly postponed and Member States have been slow to put them into effect. Even allowing for the fact that these directives are a new Community approach to structural problems and that they raised legal and administrative difficulties, the fact remains that these delays seem excessive.

To varying extents, all the Member States are still busy interpreting the directives and determining what national action might be taken in the framework of their provisions. In several Member States their entry into effect is not yet complete. There is also a patent and continuous need for these structural policy provisions to be extended both as regards content and time.

The specific provisions contained in the 1972 directives should be designed so as to reach a larger proportion of farmers in the Community, and young farmers in particular. Amendments should be made to the provisions contained in the existing directives and extensions and improvements should be read to the services provided for farmers, in order to provide real and effective access to the policy measures in view through an increase in the appropriations earmarked for implementing the policy, and through a widening of the geographical areas concerned.

Further directives also need to be introduced with particular reference to young farmers and forestry policy.

In addition, all the directives should run for more than 10 years because of the relatively slow pace at which structural changes generally take place.

One illustration of this is the extension of the scope of Article 14 (2) (a) of Directive 72/159 on the modernization of farms according to which Member States may, for a period of 5 years, grant transitional aid to farmers who are unable to attain the comparable income and do not yet qualify for the cessation of farming premium provided for in Directive 72/160. This period expired on 31 December 1977. The purpose of the Commission's present proposal is simply to extend the authorization from 1 January 1978 to Member States to grant lump-sum transitional aid.

Closer attention, as Mr Lemp points out in his excellent report, should be given to the fate of this category of farms, allowing the EAGGF to make a more lasting contribution to the cost of aid to such farms. The purpose of Directive 72/159 ought to be precisely that of providing genuine assistance in the modernization of farms. It is unfortunate that, up to now, this directive has acted more than anything as a pressure mechanism to induce small farmers with low incomes to give up farming, which is not always desirable from the social standpoint and abhorrent from the standpoint of preventing depopulation, even if only for the maintenance of the rural environment.

A similarly deplorable aspect is the pernicky nature of the administration requirements required for the implementation of the measures based on Directive 72/159. In view of the large number of applications — which exceeds the capacity of the information and advisory services capable of helping small farmers to prepare and implement development plans — the number of farms benefiting from the aid measures is lower than the number eligible for them. The Commission ought seriously to consider reforming the procedures now in force.

Directive 72/159 is a basic directive which must be maintained but in a considerably modified form.

Liogier

First of all, the selection criteria contained in the directive need to be reviewed, changed and made more flexible. Provisions should be introduced allowing smaller farms access to these advantages, the criteria for comparing incomes ought to be clarified, less importance should — to some extent — be given to technical farming questions and the aspects of the directive that concern grouped activity should be improved.

On the other hand, we are pleased to see the proposal for an increase in the Community's financial contribution to assist mountain and hill farming and the less-favoured areas because more generous assistance from the Community is the only way to set structural measures in motion and to raise the living standard of the population in these areas.

I would remind you that in 1972, in its major socio-cultural and modernization directive, the Commission had felt it need pay no account to the mountain and hill farming and less-favoured areas. It was our group and our group alone that by tabling amendments, brought home their existence and secured exemption for these areas from the severe criteria conditioning access to the aids provided, and their entitlement to special advantages.

Later, it was because of our pressing and repeated insistence that the Commission presented its 'mountain and hill farming'.

For its part, Directive 75/268 has already proved its utility by giving new hope to farmers in mountain and hill farming and other less-favoured areas. More specific Community criteria are no doubt necessary to define and enlarge the areas concerned and it is also essential that the provisions of the Directive should extend beyond 10 years because of its socio-economic implications for rural development in such areas.

Directive 72/160 has not operated satisfactorily in any of the Member States in which it has been applied and its structural effects on agriculture have been negligible or almost. In fact, because of the increase in the price of land during recent years and the decline in the number of job opportunities outside farming, the result of the directive has been to reduce land mobility. It would therefore seem necessary to introduce more flexibility in the eligibility criteria laid down by the directive and in the conditions that it imposes. A closer analysis should also be made of the problem of the lack of coordination between the cessation of farming and the reallocation of areas with a view to modernizing farms with plans for development.

This brings me to Directive 72/161 regarding socio-economic information. This is a difficult field in which information and counselling activities need to be directed mainly towards the least-favoured members of the farming Community. These families

of farmers and agricultural workers often have many problems of which — it has to be admitted — they are sometimes hardly aware. The object of this socio-economic information service is to provide the farming population with the right kind of information about the changes they need to make in their own interest, and in that of society as a whole. In some respects, a closer study of the effectiveness of the socio-economic information services would probably be worth encouraging.

In conclusion, Mr President, I would like to recall that the directives should be regarded as going only part of the way in improving agricultural structures. They should be seen as a set of policies designed to operate in combination with one another, and as the necessary and logical complement to the price and market policies followed in the framework of the Common Agricultural Policy.

But the Common Agricultural Policy needs to be made complete with a real incomes policy. If farmers' incomes are not enough they have to be made up from the common fund. But this help must be selective and given in exchange for effort, so that the poor and active stand to gain and not the rich and lazy. A policy guaranteeing a minimum income and providing for the normal growth of that income will be the only way not merely of avoiding disorder and violence but also and above all of preserving a dynamic agricultural sector and guaranteeing food supplies for consumers in the Community at reasonable prices.

President. — I call Mr Herbert.

Mr Herbert. — Mr President, the subject-matter under discussion is of fundamental importance to the future of the agricultural community and the continuing success of the CAP. The proposals from the Commission are welcome in that they aim at making the structural directives more flexible. In the short period in which they have been in existence, many shortcomings have been exposed, and it is a good thing, a very laudable thing, that the Commission at this stage is prepared to make improvements. While, however, the Commission's approach is positive, we must ask: are the proposed improvements sufficient and can greater flexibility be introduced? The changes in the general economic background since the adoption of these directive has had a profound effect on their implementation, — rising prices and inflation have made it difficult for many farmers to reach the comparable income-levels under the modernization directive. The farmer retirement directive has also run into trouble as land prices have soared, with inflation, and premiums and pension values have been eroded. Member States, and especially the poor ones have been affected by the economic situation, and they do not have the resources to apply towards the

Herbert

full implementation of the aids under the various directives. Quite clearly, the best method of solving this particular problem is for greater Community contribution towards the implementation of these Community directives in the Member States with weak economies and serious structural problems. Unemployment, too, has had an undesirable effect on the implementation of these directives. As the implementation of these directives imply a movement out of farming, the lack of job opportunities in industrial sectors has prevented this movement. In actual fact, the high level of unemployment in the industrial sectors makes it essential that as many people as possible are retained on the land until the economic situation has improved drastically.

Looking at the farm modernization directive, we welcome the extension of aids to farmers who have not yet reached development status. This in fact is essential when one considers that 80 % of Irish farmers are below this development category. In the West of Ireland, as my friend pointed out, a mere 2 000 farmers are classified into the development category out of a total of 103 000 farmers. This number is so high that I feel it is necessary for the Commission to consider participating in advance to such non-development farmers, so that they may qualify as development farmers. We should also consider reviewing the compatible income arrangements with a view to making them more flexible. My friend Mr L'Estrange, rightly referred to the undesirability of categorizing farmers and transitional farmers. This particular title, you know, has given the psychological impression that farmers in this category have no future in the Community, so we would welcome it if this category were classified as a pre-development category, and that farmers in this new category should be given equal access to Community aids.

The farm retirement directive has more or less failed in all the Member States. This is largely due to the ravages of inflation during the past few years. The Commission proposals provide a more attractive premium and should go some way towards improving the acceptability of this scheme. And to ensure the effectiveness of the proposals it is important that the EAGGF contribute substantially to their financing.

As regards the disadvantaged areas directive, the proposed changes should also help improve the application of this directive. The income supports offered by this directive which have done a substantial amount for the farmers living in the worst-off areas of the Community, however welcome this recognition of the poorer regions of the Community may be, the comparison of the application of this scheme in the different Member States shows a wide variation in the levels of compensation. We see that the richer Member States give the maximum permitted under the directive, and the contrary is the case with the weaker economies.

Nonetheless, the Commission's proposals are a substantial step in the right direction. But we must not forget that the inadequacy of the Community support has been a major inhibition in the operation of this scheme. Finally, Mr President, I would like to refer to the directives relating to drainage in the West of Ireland. We welcome this recognition by the Commission of the particular problem in the West of Ireland. In conclusion, I would like to move formally a number of amendments which I have put down on behalf of my group. These amendments in no way change the excellent resolution but merely add a few points which we feel should be emphasized. They relate to greater flexibility in the application of the directives and the greater Community commitment towards their implementation. With these few points, Mr President, I would like to recommend to this House the acceptance of this excellent report.

President. — I call Mr Nolan.

Mr Nolan. — Mr President, I would just like to be associated with the previous speakers who welcomed and who congratulated Mr Lemp on his excellent report that he has presented to Parliament today. I should also like to welcome the Commission's Directive on drainage for the West of Ireland. I am not from the West of Ireland, but at the same time, as an Irishman I would like to thank and to congratulate the Commission on this.

Now, a lot has been said in the past, and a lot will be said in the future about structural reform. What I think of as structural reform is what we commonly refer to as economic holding, or in other words the amount of and, irrespective of the quality of the land, that a farmer would require to make a proper standard of living as compared to people in industry or in some profession. This is not an easy problem. Structural reform is no easy problem, because of the fact that in parts of the Community there are too many people in agriculture, and therefore there is not sufficient land to give an economic holding to the amount of people who want to remain on the land. I would also like to agree with my colleagues who referred to the problem. Coreper and the farming organizations in most countries have been critical of this problem of a transitional farmer, of a commercial farmer, of a development farmer. It is all right to have categories of farmers, but what we must ensure is that the smaller farmer will get the greater amount of aid, and in my opinion the Community is not looking after, financially or otherwise, the smaller farmer.

Take the farm retirement scheme which many countries introduce prior to the Community farm retirement scheme — we had it in my own country — and one of the major problems about farm retirement is that, as we know a farmer, no matter how small his

Nolan

holding is, no matter how low his standard of living is, is very much attached to the amount of land that he owns. For that reason, the Commission will have, as Member States have had, the problem of offering incentives to farmers to retire, because of the human element involved. You could offer a farmer of 65 years of age or 60 years of age, be he bachelor or be he married, incentives which would give him an income far in excess of the income he would get from his small farm. But yet that small farmer in most of our countries will not avail himself of these incentives, due to his love for the land that he has. The incentives to farmers to retire must therefore be high enough to attract them, and the income that they would get from the financial settlement to be made would have to be far in excess of what they would gain from a small farm.

Now I am glad that most speakers here today ask for flexibility in the administration of the different directives. I must fully support this. When we were discussing this recently, I am glad that my colleague Mr Power who was here in the House, did mention the fact about cutaway bogs; maybe in Europe, you do not know as much as we in Ireland do about cutaway bogs. They are bogs which have been used for the manufacture of turf or peat, and when the turf has been removed these bogs are bare. These areas in my opinion, and indeed in the opinion of the Irish Government, are areas that should be considered as disadvantaged areas. Therefore, if the directive was amended, so that areas such as these mountain areas and bogland, would be considered as disadvantaged areas, I know my group would certainly welcome it very much.

President. — I call Mr Dewulf.

Mr Dewulf. — *(NL)* Mr President, ladies and gentlemen, the issue here is that of the development and intensification of the social and regional solidarity that should be a characteristic of our cooperation in Europe and what we have just heard from our Irish colleague shows how important it is for us to get to know each other and to want to learn in order to be able to help each other to learn. The more solidarity the European Community can display the better will its human and social image be. As a representative of a more favoured area, I would like to thank the Commission on behalf of my group, to congratulate the rapporteur for his sober and constructive report and to make one or two supplementary comments.

The Community needs to have an overall policy concept so that it can be more active and thorough in its structural policy, and so that solidarity can play its full part in the Community. I do not know, Mr Commissioner, how things have gone today in the Council of Ministers, and whether the debate on the Mediterranean areas has resulted in an agreement on the way in which the resources necessary for this solid-

arity can be raised. In this connection I would like to make three comments.

My first question is: how does the Commission view this solidarity and this structural policy when the Community is about to be enlarged as a result of which new agricultural areas will be making calls on the Community? How are we to regard and finance the present agricultural structural policy in the enlarged Community?

My second comment is that I believe our Conservative Members in particular are strongly urging that a fund be set up for rural development in the Community. I have nothing at all against this, quite the contrary, provided that this can be treated separately from the agricultural fund itself, that is to say the fund for structural improvement. The point is that, in the richer areas, urbanization is very often accompanied by pressure on rural areas and that through the building of infrastructures to make rural areas inhabitable for tired town dwellers, agriculture suffers. So, if the idea of a fund for rural development is put into effect I would be glad to see this fund completely separate from the funds that are necessary for agricultural structures as such.

Thirdly, I happened last week to be in the South of France — the French Mezzogiorno so to speak — the Bas-Rhône-Languedoc. In a strongly centralized country like France, Paris is a very long way from these underdeveloped or problem areas and there is a problem, as in many of our countries, of regional reception structures. Ultimately we shall, presumably, have to look upon the region as a political and administrative entity and incorporate it in the Community's institutional structures, but in any case there exists already the problem of tensions between the region and the capital to which the Commission must unquestionably give its attention.

I make these few comments, Mr President, merely to demonstrate the support of my whole group for the Commission's proposals and for Mr Lemp's excellent report.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — *(D)* Mr President, these directives had certain objectives which may not, perhaps, have been fully attained. Part of the reason is that there was some delay in their introduction. In France and Italy, for example, they were late in being put into effect. A second reason is that the economic situation overall was not propitious for the furtherance of these objectives. However, we have achieved something with the directives. With the directive on modernization, that on the cessation of farming, that on information and later on mountain and hill farming, we have reached a large number of people in the Community. The figures speak for them-

Brunner

selves. If just in this Community there have been 55 000 development plans as a result of the directive on innovation and modernization, 37 500 farmers taking advantage of the cessation of farming directive and, in 1975 alone, 200 000 hectares transferred to other farms which can work more efficiently once these areas were released, then — when all is said and done — these are results for all to see.

But, as we have said, we do not want to stop at that. Everything we have learned tells us that these directives need to be reviewed and made more flexible and we intend to do this in every sector. In the modernization directive we are going to try not to leave things at the strict criterion of comparable income in the industrial sector. We also want to try and introduce the possibility of benefit in certain cases where this comparable income cannot be reached.

Secondly, we want to do something for farmers over 65 in the cessation of farming directive. We want to make it possible for them, in certain circumstances, to receive a pension. This too will be seen by farmers in Europe as a step forward.

We see this as an opportunity to help more than in the past. Please let us do it.

In the case of the hill and mountain farming directive we want to ensure that the rate of reimbursement from the agricultural fund is increased. We want to go up to as much as 50 %. In addition, we also want to see to it that we reach a rate of 50 % in Ireland and in the Mezzogiorno where the figure now is 25 %.

So here too we want to set things in motion and create more opportunities. Altogether this forms a package — one which may possibly not satisfy everyone. It will still fall short of what is referred to in one of the paragraphs in your motion for a resolution where you refer to direct income support. We are very reluctant to enter into such a system.

In the other points, however, and particularly in the paragraph on the Mediterranean that you have included in your motion for a resolution we completely share your views. Our intention is to concentrate to some extent in this area and we also want to do more with regard to the drainage measures in the West of Ireland. With these proposals we have a basis to work on and we intend to use it. Overall, then, I feel we have accumulated some good experience. If we operate flexibly and, where innovations are necessary, make them and put them into effect, then we shall have done what is necessary. We thank you for your opinion and the report, and we hope that the cooperation we have with you in this field of structural policy will continue to produce results.

President. — I note that no one else wishes to speak.

The motion for a resolution, together with the amendments which have been tabled, will be put to the vote at the end of tomorrow's sitting.

The debate is closed.

13. *Regulation on the financing of certain intervention by the EAGGF*

President. — The next item is the report by Mr Ryan (Doc. 78/78), on behalf of the Committee on Budgets, on the proposal from the Commission to the Council for a regulation laying down general rules for the financing of certain intervention by the EAGGF (Guidance Section).

I call Mr Ryan.

Mr Ryan, rapporteur. — Mr President, at first sight this appears to be a very technical report because it relates to the mechanics of financing EAGGF intervention. But it is worth while having a look at, because some of the proposals will make procedures more flexible, and refunds made by the Community to Member States in respect of expenses incurred by them in operating a Community instrument will be closer to actual costs incurred. And there are also certain improvements in budget, accounting procedures as well. The Committee on Budgets has put forward a major amendment designed to reinforce the role of Parliament in the budgetary sphere, which I hope will commend itself to Members of the House.

The basic proposal was referred to the Committee on Budgets and not to the Committee on Agriculture, and this may again be matter of some surprise, but it is because the proposal relates to the financial and accounting budgets of the EAGGF, and not to agricultural policy questions. I want to underline that, Mr President, because I am aware that there are some elements in the House that have an instant tendency to oppose anything which would appear to put money into farmers' pockets. Well, this particular proposal need not cause anybody a moment's loss of sleep, because there is nothing in it directly for the agricultural community, but there is a considerable amount in it to relieve taxpayers in a number of countries which have a high dependence upon incomes from agriculture, and the extraordinary aspect of the whole proposal is that, although it will transfer additional funds to some countries that have a high intervention budget, it will in the end result in a saving of money to the Community.

Now, budgetary and accounting aspects of the EAGGF are particularly important, because expenditure in the sphere accounts for 3/4 of the Budget. We need not go into all the reasons for this, but of course they are mainly attributable to two factors. Firstly, the CAP is the only fully evolved Community policy, and secondly, the other Community policies — regional, social, research investment, development aid to the Third World and so forth — are either stunted as yet, or they are not budgetized, as is the case with the EDFs. The Committee on Budgets considered the Commission's proposals at three meetings. The resolution now before the House reflects the thinking of the Committee on Budgets.

Ryan

Broadly speaking, it is designed to secure a degree of equity in the operation of the EAGGF financing arrangements without altering the basic framework. And the background is as follows: when products have to be bought into intervention, the Community does not provide the capital needed. The capital must be found by the intervention agency concerned, which, if it borrows money to fund the intervention operation, must pay the interest on the borrowed money. However, the Community puts a limit to the amount of interest which it is prepared to refund to an intervention agency. This means that in any case where a Member State is obliged, because of the condition of the capital market, to borrow money at a rate above 8 %, it has to carry any excess above 8 % without any assistance from the Community. And the proposal from the Commission, which is in accordance with a previously expressed view of Parliament, is to provide some degree of flexibility, to allow an adjustment to be made to take account of higher interest rates which are necessarily paid by a Member State in funding the intervention operation. If Members care to pursue the matter further, they will observe in an Annex to the report an account of interest rates affecting capital borrowed by the governments of Member States over the last 12 months. Those who are happy enough to enjoy low interest rates may be rather shocked to see that our friends in Denmark have had to pay 16.1 % and in Italy 16 %, all within the last 12 months or so.

We must take account of the fact that where interest rates are high, it is usually a reflection of economic difficulties or budgetary deficits in the countries concerned. And the thinking of the Commission — and I would urge this thinking upon Parliament — is that it is wrong to add to the economic and financial difficulties with high rates of interest by obliging them to carry a considerable part of the burden of high interest rates. And yet, the proposal from the Commission, as supported by the Committee on Budgets, imposes a continuing discipline on Member States in that they will still have to bear a significant proportion of interest rates above 8 %, even though the proposal is now to give them some help above the 8 % deadline. It is clearly a nonsensical situation to ask a State with financial problems and with an economic crisis to be paying dearly for the implementation of Community policies.

The proposals are hedged around with many safeguards, and I think nobody need worry about the possibility of Member States going wild because of the small degree of new flexibility which is being introduced. In any event, no assistance can be offered to Member States above the 8 % unless the Member States asks for it, and then the Member State will have to justify — on the basis of experience, and of the capital market and likely future trends, getting assistance above the 8 % mark.

The proposals from the Commission, which have the support of the Committee on Budgets, would mean this: that a State obliged to borrow at a rate of say 12 % or more would receive a refund of interest of only 9.6 %. It is a help but not a great help. It would still leave a State with financial difficulties carrying 2.4 % or possibly more of the interest rate burden. If the Yeats amendment is accepted by the House, and the State is required to borrow at a rate of say 14 %, the subsidy would be 10.6 %, still leaving a considerable amount to be carried by the Member State, of 3.4 %. And if the L'Estrange amendment were to be adopted, it would mean that a country which had an interest rate rising to the levels that I mentioned already, which were experienced in Italy and Denmark over the last year, would receive a subsidy of 11.2 %. Some Members of the Committee, including your rapporteur, felt that a rather higher multiplier than the 1.5 % suggested by the Commission should be provided for. However, the majority view was that the Commission's proposal should be adhered to.

Another aspect of the intervention operation is that goods taken into warehousing tend to deteriorate in quality to a varying extent, and accordingly the selling price which they can command later on also falls. In the case of beef, this depreciation in value could be of the order of 10 % to 25 %, depending on the cuts of meat involved, and for butter there is an average deterioration of 6 %. The Commission proposes, and the Committee on Budgets supports, that the value of goods taken into intervention should be written down by the appropriate amount at the time of buying-in, rather than at a later stocktaking.

A further series of amendments is self-explanatory. They are designed to add clarity to what is already a highly complicated sphere of Community legislation, and I have therefore inserted the title, and not merely the reference number, in the case of instruments which are quoted in the articles. I believe that this a practice which ought to have universal application.

A major area of vital interest to the European Parliament is that of responsibility in regard to the budget. The Commission's proposals would have the effect of leaving the final word with the Council of Ministers in the event of there being a dispute between the Commission and the EAGGF Fund Committee. The Committee on Budgets did not find this proposal acceptable, and they recalled the stance adopted previously in the matter, notably in Mr Aigner's opinion of a year ago. As an exceptional compromise solution, the Committee on Budgets thought it would be appropriate to put forward an amendment under which Parliament would be fully involved in issues having significant budgetary consequences. And I want to underline that: it is only in cases having significant budgetary consequences that the Committee on Budgets considers Parliament should be involved. Any

Ryan

Any major change which would involve increased expenditure is of course tantamount to a supplementary or amending budget, or at the very least to a transfer of appropriations. Parliament should be involved in such an issue, and the new paragraph 2a provides for parliamentary participation in the procedure. The solution being put forward here is not the last word in regard to the management committee and the Commission's role in regard to the implementing of the Budget. The matter will be returned to again in another text. However, the Committee on Budgets was satisfied, after a full and most careful consideration of the matter, that the new paragraph 2a was the appropriate course to follow in the present instance.

The Committee on Budgets also considered a number of other issues arising in regard to agriculture. It was felt that the financing arrangements for intervention operations should take into account, as far as possible, the real cost of obtaining the necessary capital. Some Members felt that the Commission should put forward proposals for giving effect to this wish, and indeed the amendment from Mr L'Estrange would record Parliament's view in that regard, if they were ready to support it. In the present instance, however, the Committee on Budgets decided to accept the viewpoint that some portion of the cost of intervention should continue to be borne by the Member States. This obviously provides an incentive to restrain expenditure, which is good, and to secure less expensive sources of capital, which is desirable if possible. But unfortunately it is not always possible, and that is the case which can be made for giving total subsidy or total refund in respect of interest payments. On the other hand, it was recognized that not giving full compensation penalized some Member States. The view was also held by the Committee that the emergence of present surpluses of agricultural products should be avoided because these entail a wasting of resources and reflect unfavourably an overall Community policy. The committee was therefore of the view that a reform of this area would involve the preparation by the Commission of elaborate estimates of a longer-term nature of Community production capacity and demand levels for agricultural commodities. Going on such projections, the Budget Authority would be better able to make provisions for using to best effect Community agricultural resources, for gearing production to likely demands and for moderating the demands on the budget. As well, the committee reiterated its conviction that the role of the Commission in relation to the implementation of the budget of the Communities provided for at Article 205 of the EEC Treaty should not be eroded. Details of the operation of the Guarantee part of the EAGGF and of the expenditure of recent years will, of course, be considered, by the House at its sessions in June and July, and in the Früh report of the 1976 financial development and the Cointat report on the discharge for the 1976 financial year. Therefore, the report

which I now propose to the House adheres closely to the Commission's proposals, and with these remarks I would recommend the report of the Committee on Budgets to the House for favourable consideration.

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

Mr Power. — Mr President, I would like first of all to compliment my fellow countryman, the rapporteur, on the presentation of his first report to this House on behalf of the Committee on Budgets, and I am happy, to find myself on common ground with him here and to tell him that our group will support him fully. This is an attitude that I very rarely find myself in at home, and I am sure he will be pleased to know that.

While the proposals before the House are of a technical nature, they nevertheless are important, as they relate to the general rules for the financing of intervention purchased by the EAGGF Guarantee Section. From the budgetary point of view, and indeed from the agricultural point of view, the financing of intervention is of fundamental importance. Intervention purchasing provides the basic safeguard to producers when market prices are at a lower level, and on the other hand the operation of the intervention system may involve a substantial amount of funds at any one time. It is to the implications raised by the tying-up of these funds that I wish to apply my remarks. The proposals under discussion concern new procedures for depreciation and valuation of stocks and the continuation of the existing system of standard rates for recouping certain expenditure and intervention operations. Not only do they result in a saving of interest cost to the Member States, but also costs to the Community budget, and this is achieved by the earlier transfer of funds from the Community budget which, in turn, involves a lower capital commitment by Member States on intervention stocks. This is something to be welcomed. The existing system, whereby Member States operate the intervention mechanism, — and this includes the financing of it, — and afterwards recoup the costs from the Community, can give rise to particular problems. In a period of substantial intervention buying, Member States have to raise a large amount of funds to finance the intervention purposes and also to maintain the stocks and storage. These funds, which are raised by means of loans, are tied up for very long periods, and this in itself can give rise to problems.

If we take the example of Ireland, which is a small economy with a substantial production of beef and dairy products — both of which are intervention products, carrying considerable intervention stocks places a substantial commitment on our resources. Ireland's dependence on the export market for beef and dairy produce — a market which has suffered from

Power

oversupply and the vagaries of the MCA system — has meant that intervention buying has been heavier than we would like it to be. The amount of State resources that have been very substantial compared to other Member States, and apart from increasing the level of state borrowing, it tied up funds which could have been put to several other beneficial uses, particularly job creation, and of course anything that lessens the prospects of job creation we feel should be eradicated. Ideally the best solution would be for the Community itself to finance the total operation of the intervention system, and while this suggestion might raise a broader issue, it needs to be looked at closely. We can say at present, that the operation of the intervention should not, at the very least, result in any loss to the Member States. I am referring here to the operation of standard rates of recoupment. Standard rates will not always cover the actual costs of intervention, and while they may give advantages in some cases, they will also result in disadvantages. These may arise where a Member State has to borrow funds at an interest rate above the standard rate of 8 %. As higher interest rates still exist in Member States with economic problems — and the rapporteur has mentioned these — some of them paying twice as much in interest as the standard rates, there is no reason why a Community system should add to their problems by adding extra costs to those people. That is why my group has put down an amendment to increase the multiplier from 1.5 to 1.75. If anyone can persuade Parliament to make it more than that, we will be very pleased too. This will allow to a greater deal of flexibility in covering the costs of Member States faced with particularly high interest rates, and it is a much more realistic approach to what is essentially a Community problem. The costs of operating the intervention system should be shared across the Community, and penalization of Member States in economic difficulty is not the best way to approach the matter.

Some people may consider my proposal to be objectionable on the basis that it may increase Community expenditure. There is a feeling on our side of the House that we have a group in this Parliament that look upon any proposals on this side with regard to farm produce as likely to increase Community expenditure. I would like to allay their fears and suggest that any increased expenditure could be offset by refunding interest rates lower than the standard rate of their actual cost. The country with the lower interest rate must be a country with a strong economy and therefore much more likely to be able to afford the repayment. Surely, we do not suggest that countries with a strong economy should keep the profit. The arguments that the Member States must be given an incentive to keep the costs as low as possible, and that this is achieved through the application of the standard rate does not stand up to very close scrutiny, as no Member State will want to tie up a substantial amount of funds in the operation of intervention. So in conclusion, Mr President, I would like to welcome

this move as it gives a greater flexibility in the operation of the intervention system, and again state my general support for the resolution.

President. — I call Mr L'Estrange.

Mr L'Estrange. — Mr President, I would like to join with my colleague, Mr Power, in congratulating Mr Ryan on this, his first report, and to say that as far as the intervention system is concerned we certainly believe in it. I think that the intervention system has meant fair prices for the farmers and the producers, continuity of supplies and supplies reaching the consumers at reasonable prices.

Mr McDonald and I have tabled some amendments, and as Mr McDonald is not here I would just like to speak about the amendments. The first amendment is an amendment adding a new paragraph 5a to the motion for a resolution, and the purpose of this amendment is to ask the Commission to put forward proposals which will enable the Community to finance fully all intervention operations. At the moment the intervention agency has got to find the capital itself so that it may carry out its obligations under Community regulations. These obligations are inescapable, and they represent the carrying into effect of Community measures. Therefore, I think the Community should provide the necessary capital. EAGGF is a Community instrument. Member States are under an obligation to operate it, but the Community should put up the finance. At present, as Mr Power and Mr Ryan indeed have stated, those least in a position to bear high interest costs, Italy and Ireland for example, are obliged to borrow at high cost and not receive adequate compensation, thereby adding to their budget deficit and thereby, to a certain extent, defeating the object of the EEC, which is to redress the imbalance between the poorer countries and the richer countries.

We have also an amendment to Article 3. The purpose of this amendment is to substitute the figure of 1.9 for the figure of 1.5 proposed by the Commission: And there is another amendment down for consideration, I think, from Mr Power, which would have the effect of inserting a multiplier of 1.75. But in any case, this multiplier would only come into play in conditions where very high rates of interest prevail in a particular Member State for a substantial span of time. This high rate of interest would most probably be linked to a difficult economic situation. Therefore it seems unfair that the Community could not respond in a flexible manner to help that Member State pay for the capital borrowed to finance intervention operations. In suggesting the multiplier of 1.9, we are fully aware of the fact that this is a maximum ceiling. It will only be called into play in the event of difficult financial conditions persisting over a substantial span of time. Indeed, the use of this flexibility is

L'Estrange

hedged in by a number of safeguards which are set out in Article 3, paragraph 2, of the Commission's proposal. Members can therefore feel assured that there is nothing automatic about this multiplier. It merely represents an added degree of flexibility in Community arrangements. At present the maximum interest paid by the Community on intervention funds which Member States have to borrow, often at 10 or 12 or more percent, is 8 %. The Commission's proposal, accepted by the Committee on Budgets does not go far enough. It would cost a little but overall savings would result if this amendment was adopted.

We have an amendment to Article 4, and the purpose of this amendment is to substitute a higher multiplier of 0.90 for the 0.85 proposed by the Commission. Now this amendment would save the Community money. This particular provision only comes into play when a Member State has an intervention agency which can actually make a profit out of operating Community arrangement. Even with this rather higher multiplier, the intervention agency will still be able to retain part of the proceeds made by operating efficiently. This is considered reasonable so as to provide an incentive to economic working of the intervention system. I should mention that if this amendment is adopted there will be a consequential amendment to Article 4, paragraph 2. The percentage figure of 15 will need to be changed to 10, but unless this amendment, and our amendment to Article 4, are carried, the Community will continue to lose over 2 million u.a. annually, paying some Member States' storage charges in excess of actual costs. So it would actually save money.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, we are very grateful for this report; it represents a great deal of effort and we are gratified that this effort has been made.

I would never have presumed that this Parliament is as Irish as it looks now. It is more Irish than the Police corps of New York city.

(Laughter)

But to be serious again, Mr President, there is one essential point on which we cannot agree with you. You can imagine what I am referring to: the participation of Parliament in the management committee procedure. We cannot support you on this because it is a very serious question and needs very careful consideration. It has an effect on the 'gentleman's agreement' between the institutions. We must check very carefully whether this can be incorporated in the form of a legal act, whereas the demarcation between the institutions has been assured up to now by this 'gentleman's agreement'. We also have to be careful not to create a precedent of this seriousness and scope through a relatively secondary regulation such as that which we now have before us.

For this reason the Commission must insist on looking very carefully into this point and cannot agree with your report at this stage.

President. — I call Mr Lange.

Mr Lange, chairman of the Committee on Budgets. — (D) Mr President, kindly allow me, in contrast to my earlier statement on another item of the agenda, to point out to the Commission — and in this case Mr Brunner — that this subject has long been a bone of contention between the institutions. I sympathise with your position, Mr Brunner, but sooner or later we shall have to discuss the question of the activity of the management committees and the opportunity they give the Council — in our view — to challenge the responsibilities of the Commission and at the same time the budgetary powers of Parliament. You cannot blame us for raising this basic question at every opportunity that occurs. For us, this is no marginal problem, it is a problem of principle however marginal the whole proposal that you have submitted may possibly appear to you. We, however, cannot be satisfied with this kind of interpretation.

I would therefore be glad, Mr Brunner, if you could have the question of the management committees examined in the Commission, independently of the 'gentleman's agreement' but in relation to the altered budgetary policy and budgetary law situation. The way we see them acting today things could happen as if Parliament were no longer a full partner in the Budget Authority, as though it alone could not give a discharge. Everything has been alright up to now but because of Parliament's altered position I must naturally urge that such erosions of Parliament's budgetary powers, by the Council and the Commission by means of these management committees, should not be allowed to take place.

I wished to stress this point in the present context in order to make it clear that this is a question of principle.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, the Commission is well aware of this point. I shall be happy to take up Mr Lange's suggestion. We must certainly discuss the matter but the question is whether this particular case, in which so far, we have never had any appeal to the Council and where the possibility of the Council being involved has so far remained purely theoretical, is the right place for it. But I can well understand Parliament's insisting on this point of principle. We are more than ready to note this and I shall so inform the Commission.

President. — I call Mr Ryan.

Mr Ryan, rapporteur. — Mr President, I would like to point out that the reason why we are discussing this

Ryan

issue is because the Commission itself is, as it were, divesting itself of its responsibilities. It is saying that wherever there is disagreement between the EAGGF Committee and the Commission, the sole referee will be the Council of Ministers. But the statutes provide that the Budget Authority includes the Parliament. And where there are significant budgetary consequences, it is only reasonable that the Budget Authority should be properly consulted. Now you do not consult the Budget Authority, you consult only part of it. I do not want to go into the history of the apparent readiness of Council of Ministers to agree with the EAGGF Committee against the Commission, but that was not totally removed from the minds of the members of the Committee on Budgets when they brought forward their recommendation, and I cannot see that there is any technical or legal objection to what is proposed. Quite the contrary, if the recommendation of the Committee on Budgets is not adopted, then I believe that the decision of the Council of Ministers without involving Parliament would be open to considerable question.

President. — I note that no one else wishes to speak. The motion for a resolution, together with the amendments that have been tabled, will be put to the vote at the end of tomorrow's sitting. The debate is closed.

14. Financial regulation concerning the EAGGF

President. — The next item is the report by Mr Shaw (Doc. 91/78), on behalf of the Committee on Budgets, on the proposal from the Commission to the Council for a Financial Regulation concerning the EAGGF (Guarantee Section) for the periods 1967/68 to 1970.

I call Mr Shaw.

Mr Shaw, rapporteur. — The final clearing of the accounts as evinced by this document for the EAGGF Guarantee Section for the four accounting periods 1967/68, 1968/69, the second half of 1969, and the year 1970, has yet to be made. In the briefest possible way, it is a system that was in use and has since been changed, and later years have been left in abeyance, much to the dissatisfaction of Parliament.

Now, the situation in regard to the figures for these years is set out in the explanatory memorandum which was prepared by the Commission and circulated in Document 360/77. In that explanatory memorandum that is now before the House, I have endeavoured to lead the reader through the figures, starting with an amount of some 7 000 million units of account, but coming down eventually to the final figure that has to be adopted of 47 million units of account. As members will see from paragraph 6 of the explanatory memorandum, four Member States of the original six, that is to say Belgium, Germany, Luxembourg and Italy will pay in this net sum, which is to be shared out between France and the Netherlands,

and all those countries, I might add in parenthesis, are agreed.

Now it would be possible to make this adjustment by way of a special supplementary budget, and technically, that would be the normal way of doing it. However, the Committee on Budgets did consider this matter, and it felt that such a procedure would be clumsy, and misleading. So it was decided to endorse the approach recommended by the Commission. We have deplored on many occasions, Mr President, the delays that have taken place in closing the EAGGF Guarantee Section account. And all those of us who deal with auditing, and indeed, anyone concerned about the budget of the Communities, are aware of the great importance attaching to the speedy closure of accounting procedures. However, it must be stated that under the old system, certain delays were unavoidable, and at that time the Commission would also have appeared to have been very seriously short of the staff who were needed to carry out the complicated exercises connected with the closing of accounts. I might add in passing, that during the 1978 budget, Parliament itself did consider this matter and did consider it appropriate to increase the number of staff available to the Commission for certain purposes.

The only thing that I would add is this: that, although we considered the clearing up and the discharge of these years by way of a Financial Regulation, to be appropriate, and more simple, at the same time I noticed as I was going through the papers, it did raise an added complication which has now been put right, although it did mean some short delay. The complication arises from the fact that under Article 209 of the 1975 Treaty, any new Financial Regulation needs an opinion from the Court of Auditors. Of course, now we have an opinion from the Court of Auditors which has been seen by the Committee on Budgets. The furnishing of this opinion by the Court of Auditors does establish something of a historic occasion as it is the first time that we have had an opinion from this new body. The Court of Auditors, just as the Committee on Budgets, endorses the proposal whilst expressing at the same time the reservations that we have made with regard to the delays that I hope in the future will never occur again.

With those few words, Mr President, I recommend this motion for a resolution to the House. Since it is non-controversial in nature, I am confident that my colleagues will see fit to give it their support.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, we are grateful for this report. We are aware of this problem and in fact delays have arisen that are eventually unacceptable. To some extent new delays have been created through the decisions that we had to take in order to overcome delays. So we are now in the situation that the final accounts for 1973 will not be ready until December 1978 and those for 1974/75 not until December 1980.

Brunner

We have looked into this matter and employed an outside independent body to try and see what might be improved. We came to the conclusion that we must now proceed on the basis of the recommendations of this expert opinion. This means a threefold increase in staff. It also means that we should, perhaps, try in the future, to deal with two years' accounts at once and thirdly, to use the modern resources of electronic data-processing to deal with this thorny problem. We share the view of the rapporteur and Parliament and will do our best to bring this problem under control.

President. — I note that no one else wishes to speak. The motion for a resolution, as such, will be put to the vote at the end of tomorrow's sitting. The debate is closed.

15. *Crisis in the inland waterways sector*

President. — The next item is the oral question, with debate (Doc. 73/78), by Mr Damseaux, on behalf of the Liberal and Democratic Group, to the Commission, on the crisis in the inland-waterways sector:

Is the Commission aware that the social conditions, security, freight and competitive position of those engaged in inland waterways transport are being increasingly eroded by the difficulties facing this sector?

As this may be a matter of structural over-capacity, has the Commission carried out a study in depth of the problem?

What practical steps does the Commission contemplate to protect the legitimate interests of the boatmen?

I call Mr Vouel.

Mr Vouel, Member of the Commission. — (F) Mr President, the European inland waterways sector has been in serious difficulty since the postwar period largely because of its failure to adapt to the new requirements of transport, and its retention — alongside the introduction of some modern units — of a certain tonnage of relatively old and ill-suited craft in excess of demand. This situation, described by various authorities as a simmering, continuing crisis, has been further aggravated by the economic recession of recent years.

There is no need to remind this House that the Commission has always been concerned with the problems of the imbalance between supply and demand in the inland waterways sector or that, in its proposal with regard to regulating waterway capacity, it recommended a coherent package of measures with the object of reorganizing the waterway trade, correcting existing over-capacity and preventing the formation of further over-capacity in the future.

This House has always given its vigorous support for the pursuit of these objectives, particularly in its 1976 resolutions on the Commission's proposals regarding

access to the inland waterway transport trade and the conclusion of the agreement on the institution of a laying-up fund.

I would also remind you of the Commission's affirmative replies to the recent written questions from Members Mr Van der Mei and Mr Albers, which show the same concern to bring about a reorganization of the inland waterways sector, and I would also like to mention the main practical measures already taken or now being taken by the Commission on the basis of its proposal with regard to the monitoring of capacity.

The draft agreement with Switzerland (with regard to the temporary laying up of part of the fleet) has been initialed by all the negotiating countries and the Commission. It is currently being amended to take into account the comments of the Court of Justice from its standpoint, and in the light of certain difficulties that have arisen in the case of one Member State with regard to the application of the agreement to the whole of its fleet.

With regard to access to the trade, the proposal is still on the table in the Council and the Commission is endeavouring to have it approved as quickly as possible.

With regard to the overcapacity problem itself, you will be interested to know that the four Member States that are mainly concerned in the inland waterways sector have begun or are continuing scrapping operations on the basis of the Commission's 1968 recommendation. In view of the aggravation of the situation because of the economic recession, we are currently studying, alongside measures for co-ordinating action at national level, a supplementary Community financing scheme with the object of eliminating an even larger proportion of the over-capacity and taking into account the social aspects that arise in this matter.

Lastly, we should not forget the measures under which the registration of new craft can, if the need arises and in certain conditions, be temporarily blocked or delayed. Before the end of the year the Commission will again be presenting measures along these lines, mainly designed to eliminate overcapacity.

With regard to the social aspects, you will remember that the Commission submitted to the Council, as early as 1975, a proposal for a regulation on the harmonization of certain social measures in the field of freight transport by inland waterway. A modified proposal will be submitted to the Council to take into account the amendments requested by Parliament when it has given its opinion on this question.

With regard to the motion for a resolution tabled by Mr Damseaux, I would like to put forward some thoughts on the following points.

First of all, the Commission has for some time been concerned about problems related to the opening of

Vouel

the Rhine-Main-Danube link and agrees, — with a view in particular to the institution of measures calculated to prevent harmful competition for our inland waterways sector from enterprises in the state-trading countries, — with the need for a modification to the revised Mannheim Convention in the framework of a solution compatible with the powers of the Community and in compliance with the Treaty instituting the EEC. As we stated in the recent reply to written question No 1186/77 from Mr Albers, the problem continues to receive most careful consideration both from the Commission and from the Council.

Lastly, I would like to say, as I pointed out in my reply to the oral question by Mr Damseaux, that the Commission is striving to coordinate and reinforce scrapping measures. On the other hand, it feels that certain measures, including those taken on the initiative of the trade itself and in particular the extension of the rota system), are unlikely to help operators to overcome their difficulties. In this connection I would refer to the statement made by the representative of the Commission during the part-session of the European Parliament on 17 December 1976 when the problem of the European laying-up fund was being discussed.

We continue to feel that, once the laying-up mechanism has been brought in and that national and Community action to dispose of lasting overcapacity have had their full effect, the rota system — which, after all, is no more than a sharing of misfortune — will disappear when the small operators have seen evidence that the right remedy is to do away with both temporary and structural overcapacity.

President. — Mr Damseaux, we are perhaps reversing the usual order of things, but, having heard the answer, perhaps you would now like to put your question.

Mr Damseaux. — (*F*) Mr President, I would first of all like to express my regret at not having received any warning from the offices of the European Parliament whilst I was attending a meeting of the Liberal and Democratic Group (Federation of the Liberal and Democratic Parties of the European Economic Community). I was therefore unable to hear the whole of the reply from the Commissioner but I would nevertheless like to give the reasons for my motion for a resolution, though without inflicting the whole of the question on the Commissioner since he has replied in advance.

I feel, Mr President, that, with regard to the inland waterways sector, several problems need to be considered very closely by the Commission. It should not stop at studies but try to analyse the situation and propose really practical solutions.

The first problem raised by my motion for a resolution is that of over capacity. Efforts have been made in

several countries to put this matter right but, at the Community level, there is no thorough study of this problem at the economic or social level although its disturbing implication is the disappearance of independent operators in the inland waterways sector. Obviously the independents are less well equipped than others to defend themselves and I feel that in the solutions put forward for solving the over-capacity problem, the Commission should act as a kind of shield or protector for them so that the whole of the fleet should not be concentrated in the hands of a few privileged carriers. Personally, I feel that it is in the Social Fund that the Commission would most easily find satisfactory solutions to the problem of over-capacity and that of distortion between the big carriers and the independent operators who, in both cases, will necessarily suffer from the policy that must, at all costs, be followed in this field.

The second, problem — I heard part of Mr Vouel's answer on this point — regards the opening of the Rhine-Main-Danube canal and the revision of the Mannheim Convention. I feel that we should be fully aware of our responsibilities in this field and of the problems our countries may be faced with thorough competition from the state-trading countries which give their fleet considerable tax advantages whilst at the same time applying a policy of low wages for their own bargees. I do not intend to dwell further on this point, but I think that this is a form of dumping by the state-trading countries in the COMECON and that it is absolutely necessary for the Community or the nine Member States, jointly with the 4 countries in which the inland waterways are an important mode of transport alongside road and rail, to try to protect themselves from external competition which seems to me to be absolutely unfair. I do not, Mr Commissioner, wish to anticipate the future work of the Commission of the European Communities and Parliament but I would urge Parliament to vote for the motion for a resolution, inviting the Commission to prepare not merely a study of the present situation — we know the diagnosis — but to try to remedy it through practical measures. A coherent package of suitable measures could save us from the two dangers I have just referred to.

President. — Mr Damseaux, it is really a matter for the Member himself to find out when the debate is on, and for this purpose there are various internal television sets available throughout the House. It is not, I think, a matter for the administration of Parliament.

Mr Damseaux. — (*F*) Mr President, one could hardly imagine that a report as important as Mr Shaw's should be dealt with in so short a space of time...

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

Mr Albers. — (NL) Mr President, the oral question from Mr Damseaux gives us an opportunity to take another look at the state of affairs in the inland waterways and I very much appreciate the reply given by Commissioner Vouel. It is true, the Commission has indeed been active for many years preparing proposals to improve the terms of competition in the inland waterways sector itself and also to create fair terms of competition with regard to other modes of transport, namely road and rail.

But not one week passes without reading reports about great unrest in the inland waterways. There is talk of a crisis, primarily in relation to medium-sized undertakings and small operators because a striking fact is that provisional figures for 1977 point to a big increase in traditional Rhine traffic, exceeding even the 1974 record.

But we still have considerable disquiet, the continuing efforts to find solutions for helping small operators out of their difficulties, our present discussions, and the demand for Community regulations providing a lasting solution. There are many reasons for this. It is clear, as regards the introduction of VAT for the inland waterways, that the small operators will again be hardest hit because the bigger firms have ways and means of writing it off against tax that is already paid — or yet to be paid — in other ways. The small operators do not have this possibility and this increases the fear that the ability of the small operators to compete will be further diminished.

With regard to the package of measures about which the Commissioner has spoken it is perfectly clear that, in many cases, the sector itself has serious objections to them. There is no agreement on this package of measures. The trade itself feels the reference tariffs to be insufficiently binding and puts no hope of salvation in them. Inland waterways operators are just as opposed to the Community's measures for harmonizing social provisions for the reason that this would put costs up too steeply. And the trade union movement complains that social regulations for the inland waterways are in sharp contrast to the social regulations in other sectors. It is only with regard to access to the trade, the recognition of diplomas, safety recommendations and the certification of craft, that there is any general satisfaction with what the Community has proposed. There is also a very positive response to the market monitoring proposal because it is hoped that this will provide a greater insight into real needs.

A point that has struck me in studying these measures is the fact that, in discussing the reference tariffs for the inland waterways, Parliament has stressed that whilst an optional regulation of this kind may well help to improve matters, the Commission — in the event of a real crisis — must have ways and means of intervening in order to prevent distortion of the market. The proposals approved by Parliament to this

end were rejected by the Commission with the statement that a separate regulation would subsequently be brought in. But where is this separate regulation? Because time is pressing. It is perfectly clear, of course, that the solution should be sought instead in practical measures on capacity. We can see that the scrapping regulations do produce results. Particularly in Germany and the Netherlands this is taking effect, but in Belgium to some scrapping is taking place. But against this, of course, there is the grave risk that if the canal is really opened and the Danube fleet comes onto the market with 4 400 units and more than 3 million tonnes, the scrapping regulations that have been introduced will again and suddenly be brought to nought by this competition. This explains the insistent call from the barge operators for an overall licensing scheme as we have for road transport.

I have recently put various questions and I have again referred to the formation of cartels that is taking place in the Netherlands for example, in sand and gravel transport. The exclusion of certain organizations is a matter in which the Commission must definitely intervene and in which it has ways and means of doing so. All things considered I come to the conclusion that we really need to review the situation again in consultation with the trade itself. A thoroughgoing analysis is needed, since the basic data we have is not really enough. What is the real capacity of the fleet? How big is the demand for transport? How much reserve capacity is really necessary to cope with cyclical fluctuations, seasonal peaks and low water situations? In fact, I could well go along with the questions that are put in the motion for a resolution tabled by Mr Damseaux but I would point out that there are very few Members present in Parliament. I would certainly feel it to be a pity if the Committee on Regional Policy, Regional Planning and Transport were not to be given an opportunity to look into this question and possibly study it in a little more depth. I would therefore like to ask Mr Damseaux not to insist on his request for a direct vote but to accept that this motion for a resolution should be referred to our committee so that we may once again discuss it in depth.

President. — I call Mr Seefeld.

Mr Seefeld. — (D) Mr President, ladies and gentlemen, I just wanted to make a brief statement in support of what Mr Albers has said.

Mr Damseaux, you are — forgive me for saying so — relatively new in this Parliament and I am sure that you and your Group will, of course, have taken great pains and also looked at what this Parliament has done in this field in recent years. The previous speaker, Mr Albers, has dealt in particular with a number of points that you — and a good thing too — have brought up again. The Committee on Transport for example, Mr Damseaux, has gone very thoroughly

Seefeld

into the whole problem of the penetration of craft from the state-trading countries into our internal waterways. We clearly understand that we have to include this in our overall economic policy with regard to the Comecon countries. We fully realize that we have to tackle the question of the Mannheim Convention although this is not directly an EEC matter. However, Mr Damseaux, we feel that, with the motion for a resolution that you have tabled, we may just be stirring something up again without being able to put forward any solution. I would also point out that the whole problem of tolls is still with us. For years we have wanted to clarify the whole concept. I would also draw your attention, Mr Damseaux, to the fact that the Committee on Transport, for example, will in the next few weeks be discussing a report on the situation and developments in our common transport policy and for which I may well be the rapporteur.

Up to now, in everything that we have discussed and decided under the heading of transport policy in this Parliament, we have never left out the inland waterways and I share your concern when you say that we must do more than just study and investigate, we must find solutions. I am sure there is no doubt about this. But I also know, for example, the effort that it costs the Commission to deal with certain areas of transport policy because of the lack of qualified staff. I would take this opportunity to tell you that I shall have to have very intensive discussions with you, Mr Damseaux, and with everybody else on this kind of question when we have to debate the Commission's budget, in order to ensure that certain measures of support, that we all agree upon and regard as right and proper, can be put into effect.

To cut a long story short, I should be very grateful if you would agree to let us discuss the questions you have raised very carefully together in the Committee on Transport. You may be sure that your points are important, none will be left out; some of them are already included in reports that we have dealt with together, or are in preparation. I can really only thank you for saying that in doing so you have not told us anything new. You have put your finger on a sore point in the field of transport policy that we have long been trying to heal, but which will probably still take some time to remedy in view of the low rating that transport policy unfortunately has in the Community.

President. — I call Mr Vouel.

Mr Vouel, Member of the Commission. — (F) The Commission is fully aware of the social problem arising in the inland waterways sector and is doing everything in its power to improve the lot of those hit by the recession in the inland waterways and by the new dangers threatening them from the East.

Mr Albers and Mr Damseaux have invited the Commission to try to improve the situation as regards

competition between small and large barge operators. The Commission will do everything in its power in this field within the framework of the provisions of the Treaty. I would also point out that the Commission is currently negotiating an agreement on laying up in the event of temporary overcapacity and that this agreement could well be concluded by the end of 1978. The Commission will also use the various funds to put suitable conversion measures into effect on behalf of the independent operators.

I would also add that the Commission is fully aware of the serious consequences in prospect for this sector once the Rhine-Main-Danube canal is opened. I can only repeat that the Commission is giving careful thought to the possible implementation of suitable measures in order to avoid harmful competition in this sector.

President. — I call Mr Damseaux.

Mr Damseaux. — (F) Mr President, in reply to Mr Seefeld, who chided me for being a relatively recent member of this Parliament, I would like to quote the words of a great philosopher who one day said that seniority was the main merit of those who could claim no other distinction. To me it seems perfectly normal that I should be interested in the problems facing the European Economic Community. That was what I was elected for.

I have two comments to make in the field of transport. The first is that Mr Seefeld and Mr Albers have both made the point that the Committee for Regional Policy, Regional Planning and Transport has certainly concerned itself very much with transport (I have read several reports that have been made) but most of the studies on transport related to road transport and the railways. It was an older member of Parliament — to whom Mr Seefeld will therefore be more prepared to listen — who also said that the inland waterways were the 'Cinderella of transport' in the eyes of the European Parliament. I believe this to be true and that it is time to take a more active interest in this sector.

Secondly, I would say — after listening to the speakers — that we ought, in my opinion, to maintain the motion for a resolution asking the Commission to study certain concrete measures whose absence is only too keenly felt, in view of the fact that new members do not dispute the importance of this problem.

So, since we already have the diagnosis, let us try to be good physicians. And it is the Commission that is the best equipped to propose solutions to us and to put them into effect. I do not feel that my proposal is incompatible with those of my two colleagues who have proposed that the Committee on Regional Policy, Regional Planning and Transport should also study the problem of inland waterway transport. I feel that these two proposals complement each other and

Damseaux

that we should not disregard the requests to the Commission to concern itself more actively with inland waterway transport and to propose concrete measures for the troubles to which I have referred, thought I am probably — you are right Mr Seefeld — not the first member to do so. The very fact that I have been obliged to raise this matter again shows that the problem is urgent and topical and that Parliament should act in the framework of its Committee on Regional Policy, Regional Planning and Transport, but that it should also — and I do not think that this is incompatible with the proposal that you have made — at the same time adopt the motion for a resolution, so that the Commission may be invited not to send us studies analysing the disease but proposals for concrete measures to cure it.

President. — The debate is closed.

I have received a motion for a resolution (Doc. 117/78) tabled by Mr Damseaux, on behalf of the Liberal and Democratic Group, with a request for an immediate vote pursuant to Rule 47, paragraph 5 of the Rules of Procedure, to wind up the debate on the oral question to the Commission on the crisis in the inland-waterways sector.

The decision on the request for a vote without reference to committee will be taken at the beginning of tomorrow's sitting.

16. *Agenda for next sitting*

President. — The next sitting will be held tomorrow, Friday, 12 May 1978, at 9 a.m., with the following agenda :

- Procedure without report ;
- Votes on urgency ;
- Caro report on financial protocols ;
- Oral question to the Commission on the financing of Member States' projects ;
- Sandri report on the EEC/Latin American inter-parliamentary conference ;
- Willi Müller report on pollution (without debate) ;
- Verhaegen report on animal protection (without debate) ;
- Hughes report on milk ;
- Oral question to the Commission on rabies ;
- Oral question to the Commission on import charges ;
- Nyborg report on technical equipment ;
- Nyborg report on hot-water meters ;
- Cointat report on education allowances.

At the end of the sitting :

- Votes on motions for resolutions on which the debate has closed.

The sitting is closed.

(The sitting closed at 9 p.m.)

SITTING OF FRIDAY, 12 MAY 1978

Contents

1. Approval of the minutes	260	
2. Documents received	260	
3. Agenda		
Procedural motion: Mr Herbert	260	Mr Santer, deputy draftsman of an opinion; Lord Brimelow, on behalf of the Socialist Group; Mr Klepsch, on behalf of the Chris- tian-Democratic Group (EPP); Mr Nyborg, on behalf of the Group of European Pro- gressive Democrats; Mr Dalyell; Mr Scott- Hopkins
4. Petitions	260	268
5. Supplementary budget No 3 of the European Communities for 1978	260	
6. Procedure without report	261	13. Cost of pollution control to industry — Report, without debate, by Mr Willi Müller on behalf of the Committee on the Environ- ment, Public Health and Consumer Protec- tion (Doc. 85/78)
7. Decision on urgent procedure		273
Mr Scott-Hopkins; Mr Hughes	261	14. Activities in the veterinary, animal-hus- bandry and animal-protection spheres — Report, without debate, by Mr Verhaegen on behalf of the Committee on the Environment, Public Health and Consumer Protection (Doc. 96/78)
8. Resolution pursuant to Rule 47 (5)	261	273
9. Agenda		
Procedural motion: Mr Scott-Hopkins	261	15. Regulation on milk and milk products — Report by Mr Hughes on behalf of the Committee on Agriculture (Doc. 100/78) ...
10. Regulation on the financial protocols con- cluded with Greece, Turkey and Portugal — Report by Mr Caro on behalf of the Committee on Budgets (Doc. 93/78):		273
Mr Caro, rapporteur	261	16. Oral question with debate: Eradication of rabies (Doc. 20/78) Mr Spicer, author of the question
Lord Brimelow, on behalf of the Socialist Group; Mr Dalyell; Mr Lange; Mr Vouel, Member of the Commission; Mr Dalyell; Mr Caro; Mr Vouel	263	273
11. Oral question without debate: Community financial participation in Member States' projects (Doc. 68/78)		17. Oral question without debate: Levying of import charges by Dutch producers' asso- ciation. (Doc. 67/78) Mr Vouel, Member of the Commission
Mr Seefeld, author of the question	266	275
Mr Vouel, Member of the Commission	266	
12. Third European Community — Latin America Interparliamentary Conference — Report by Mr Sandri on behalf of the Com- mittee on External Economic Relations (Doc. 574/77)		18. Directives on the design and insulation of certain types of equipment — Report by Mr Nyborg on behalf of the Committee on Economic and Monetary Affairs (Doc. 61/78) Mr Nyborg, rapporteur
Mr Sandri, rapporteur	267	276
		M Vouel, Member of the Commission
		276
		19. Directive on hot-water meters — Report by Mr Nyborg on behalf of the Committee on Economic and Monetary Affairs (Doc. 29/78) Mr Nyborg, rapporteur
		277

20. Education allowance for local staff — Report by Mr Cointat on behalf of the Committee on Budgets (Doc. 94/78)	277	Adoption of the resolution	280
21. Regulations on fisheries — Report by Mr Klinker on behalf of the Committee on Agriculture (Doc. 114/78)	277	Verhaegen report (Doc. 96/78): Activities in the veterinary, animal-husbandry and animal-protection spheres:	
22. Regulation on inshore fishing — Report, without debate, by Mr Andersen on behalf of the Committee on Agriculture (Doc. 115/78) .	277	Adoption of the resolution	280
23. Votes		Hughes report (Doc. 100/78): Regulation on milk and milk products:	
Lemp report (Doc. 59/78): Agricultural structures:		Adoption of the resolution	280
Amendment to recital (d) :		Nyborg report (Doc. 61/78): Directives on the design and insulation of certain types of equipment:	
Mr Hughes, deputy rapporteur	278	Amendment to the fourth indent of the preamble:	
Amendment to paragraph 5 :		Mr Nyborg, rapporteur	280
Mr Hughes	278	Adoption of the resolution	280
Amendment after paragraph 16 :		Nyborg report (Doc. 29/78): Directive on hot-water meters:	
Mr Hughes	278	Adoption of the resolution	280
Amendment after paragraph 23 :		Comtat report (Doc. 94/78): Educational allowance for local staff	
Mr Hughes	278	Adoption of the resolution	281
Amendment to paragraph 24 :		Klinker report (Doc. 114/78): Regulations on fisheries:	
Mr Hughes	279	Adoption of the resolution	281
Amendments after paragraph 24		Andersen report (Doc. 115/78): Regulation on inshore fishing:	
Adoption of the resolution	279	Mr Vouel, Member of the Commission	281
Ryan report (Doc. 78/78) : Regulation on the financing of certain interventions by the EAGGF:		Adoption of the resolution	281
Amendments to Article 3(3) of the proposal for a regulation:		Damseaux motion for a resolution (Doc. 117/78): Crisis in the inland waterways sector:	
Mr Ryan, rapporteur	279	Rejection of the motion	281
Amendment to Article 4(3) of the proposal for a regulation:		Fellermaier and Prescott motion for a resolution (Doc. 109/78): Human rights in Argentina:	
Mr Ryan	279	Procedural motions: Mr Prescott; Mr Mitchell; Mr Klepsch	281
Amendment after paragraph 5 of the motion for a resolution:		Mr Klepsch; Mr Prescott	281
Mr Ryan	280	Explanations of vote: Mr Damseaux; Mr Jung; Mr Klepsch, on behalf of the Christian-Democratic Group (EPP); Mr Hoffmann; Mr Prescott; Mr Seefeld; Mr Klepsch; Mr Seefeld ; Mr Klepsch; Mr Jung; Mr Prescott	281
Adoption of the resolution	280	Mr Prescott; Mr Scott-Hopkins; Mr Prescott	284
Shaw report (Doc. 91/78): Financial regulation for the EAGGF:		24. Dates of the next part-session	285
Adoption of the resolution	280	25. Approval of the minutes	285
Caro report (Doc. 93/78): Regulation on the financial protocols with Greece, Turkey and Portugal:		26. Adjournment of the session	286
Adoption of the resolution	280		
Sandri report (Doc. 574/77): Third European Community — Latin America Inter-parliamentary Conference:			
Adoption of the resolution	280		
Willi Müller report (Doc. 85/78): Cost of pollution control to industry:			

SITTING OF FRIDAY, 12 MAY 1978

IN THE CHAIR: MR MEINTZ

Vice-President

(The sitting was opened at 9 a.m.)

President. — The sitting is open.

1. *Approval of the minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Documents received*

President. — I have received the following documents:

- a) from the Council, requests for an opinion on:
 - the communication from the Commission concerning marine pollution arising from the carriage of oil (Doc. 121/78), which has been referred to the Committee on Regional Policy, Regional Planning and Transport as the committee responsible and to the Committee on Economic and Monetary Affairs, the Committee on the Environment, Public Health and Consumer Protection and the Committee on Budgets for their opinions; and
 - an initial list of requests for the carry-over of appropriations from the 1977 to the 1978 financial year (non-automatic carry-overs) (Doc. 122/78), which has been referred to the Committee on Budgets;
- b) the following motions for resolutions:
 - motion for a resolution tabled by Mr Wawrzik, Mr Schyns, Mr Fuchs, Mr Früh, Mr Aigner, Mr Jahn, Mr Schwörer, and Mr H. W. Müller, pursuant to Rule 25 of the Rules of Procedure, on foreign-language teaching in the Community (Doc. 118/78), which has been referred to the Committee on Social Affairs, Employment and Education as the committee responsible and to the Political Affairs Committee for its opinion; and
 - motion for a resolution tabled by Mr Kofoed on behalf of the Liberal and Democratic Group, pursuant to Rule 25 of the Rules of Procedure, on air fares (Doc. 123/78).

3. *Agenda*

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

Mr Herbert. — I have been requested by the chairman of the Committee on Agriculture to ask for my report on the British Milk Marketing Boards (Doc. 116/78) to be referred to committee. He understands that there are new Commission proposals on the Milk Marketing Boards. Consequently, under Rule 26 I ask for that to be done.

President. — By virtue of Rule 26(2) of the Rules of Procedure, this request is automatically granted.

4. *Petitions*

President. — I have received the following documents:

- from the European Movement/Northern Ireland Council, a petition on air-links with Northern Ireland; and
- from 'Chile Democrático', a petition on the release of political prisoners in Chile.

These petitions have been entered under Nos 8/78 and 9/78 respectively in the register provided for in Rule 48(2) of the Rules of Procedure and referred to the Committee on the Rules of Procedure and Petitions pursuant to paragraph 3 of that same rule.

In addition, by letter of 3 May 1978, the Committee on the Rules of Procedure and Petitions have informed me that it considers admissible petitions Nos 20, 21, 22, 23 and 24/77 and 1/78, which have been referred at its request, to the following committees for opinions:

- No 20/77: to the Committee on External Economic Relations;
- No 21/77: to the Legal Affairs Committee;
- Nos 22 and 23/77: to the Political Affairs Committee;
- No 24/77: to the Committee on Economic and Monetary Affairs; and
- No 1/78: to the Committee on Social Affairs, Employment and Education.

5. *Supplementary Budget No 3 of the European Communities for 1978*

President. — In adopting yesterday the Cointat motion for a resolution submitted to it by the Committee on Budgets (Doc. 113/78), Parliament, in accordance with

President

the Treaties, gave its approval in respect of Supplementary Budget No 3 for 1978, on which it had been consulted by the Council.

I note that Supplementary Budget No 3 has been finally adopted. This adoption has been notified to the Community institutions, and the budget will be published in the *Official Journal*.

6. *Procedure without report*

President. — On Monday, I announced the title of the Commission proposal to which it was proposed to apply the *procedure without report* laid down in Rule 27 A of the Rules of Procedure.

Since no Member has asked leave to speak and no amendment has been tabled to it, I declare this proposal to be approved by the European Parliament.

7 *Decision on urgent procedure*

President. — The next item is a decision on the application of urgent procedure to two reports on fisheries. I consult the House on this decision regarding the Klinker report (Doc. 114/78).

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I am not opposing the request, Sir, I am merely asking for information. Do I understand that these two group reports will be taken without debate?

President. — I call Mr Hughes.

Mr Hughes. — The intention is that they be taken without debate, but the request has to be made that they be put in for debate. Once they are on the agenda, the intention is that there would be no debate on them at all.

President. — Are there any objections?

The adoption of urgent procedure is agreed.

I propose that this report be placed at the end of today's agenda.

Are there any objections?

That is agreed.

I consult the House on the adoption of urgent procedure for the Andersen report (Doc. 115/78).

Are there any objections?

The adoption of urgent procedure is agreed.

I propose that this report be placed at the end of today's agenda.

Are there any objections?

That is agreed.

8. *Resolution pursuant to Rule 47 (5)*

President. — The next item is a decision on the request for an immediate vote on the motion for a resolution tabled pursuant to Rule 47(5) of the Rules of Procedure on the crisis in the inland-waterways sector (Doc. 117/78).

Are there any objections?

An immediate vote is agreed. I propose that it be taken at the end of today's agenda.

Are there any objections?

That is agreed.

9. *Agenda*

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

Mr. Scott-Hopkins. — Mr President, just to be doubly sure that there is no misunderstanding, I believe we should be voting, should we not, on the motion for a resolution standing in the name of Mr Fellermaier and Mr Prescott at the end of the sitting. I hereby give formal notice, Sir, that I maintain my wish for a vote by roll-call on that particular motion.

President. — Mr Scott-Hopkins, I take note of your request. Since yesterday's vote was not valid, a roll-call vote on this matter is in any case scheduled as the first item in the series of votes which are due to take place at the end of this sitting.

10. *Regulation on the Financial Protocols concluded with Greece, Turkey and Portugal*

President. — The next item is the report by Mr Caro (Doc. 93/78), on behalf of the Committee on Budgets, on the proposal from the Commission to the Council for a regulation on the application of the provisions of the Financial Protocols concluded with Greece, Turkey and Portugal.

I call Mr Caro.

Mr Caro, rapporteur. — (F) Mr President, Parliament is quite familiar with this kind of text and with the discussions with Mediterranean countries, since it has

Caro

on many occasions voted on almost identical texts relating to the Maghreb and Mashreq countries, Cyprus and Malta. Concerning the proposal forwarded to us, the Committee on Budgets wishes to draw Parliament's attention to three distinct problems on which it is asking Parliament to decide.

The first concerns the way in which the management of the funds to finance the agreements with the countries concerned is divided. As you know, the Commission, which, under Article 205 of the Treaty, is responsible for managing aid financed by the Community Budget, delegates part of the management to the European Investment Bank; and The Committee on Budgets once again has reason to fear that the Commission, which, especially where budgetized aid is concerned, is solely responsible for management, will delegate too much of its authority.

The Committee on Budgets is not asking Parliament to question the nature of the agreements already signed. This would run the risk of holding up the implementation of the agreement, which the Committee on Budgets wishes to see carried out as quickly as possible. However, if we take a look at the sums earmarked for financing these agreements, we find that the overall impact of financial cooperation with Mediterranean countries — both those I mentioned a moment ago and those which are covered by this resolution — will amount to a total of 1 595 m EUA over an average period of five years. Of this total, the European Investment Bank will provide from its own funds loans amounting to 963 m EUA, or about 60 % of the total. The remainder, 632 m EUA, or about 40 %, will be provided from the Community budget. We find, however, that the Commission has agreed that the European Investment Bank should administer 415 m EUA, or about 65 % of this last amount, and will itself only administer the remaining 35 %, i.e., 217 m EUA. I apologize for this avalanche of figures, which are simply intended to show that, of the total for all these appropriations, which amount to 1 595 m EUA, 1 378 million, or 86 %, will be managed by the European Investment Bank. The Commission will only manage 217 million, or 14 %.

This raises once again the fundamental, political problem whether the Commission intends to comply with Article 205 of the Treaty, by virtue of which it is responsible for managing financial aid, in view of the fact that it does not intend even to retain control of all the funds made available from the Community budget. We feel, therefore, that Parliament should reaffirm its opposition to a general mandate from the Commission to the European Investment Bank and that this general mandate should be replaced by some technical assistance arrangement between the Bank and the Commission — in short, there should be a technical procedure rather than a political mandate. The position of the Committee on Budgets, which I have just explained, is all the more important in view of the fact that we shall

soon have to deal with the problem of budgetizing appropriations for the Fifth European Development Fund.

The second point to which I wish to draw your attention, and which also concerns the problem of the Commission's responsibilities, is that of the rôle of the management committees. As you know, the Commission is assisted in this matter by a management committee, quite apart from the European Investment Bank, and in general its decisions on financial projects are made on the basis of proposals from these committees. The Committee on Budgets unanimously recognizes that the Commission has taken account of most of Parliament's proposals on this matter. This is borne out by the modification concerning the management committees introduced into the Commission's proposals for regulations. Nonetheless, we regret that the proposals submitted to us contain no reference whatever to Article 205, which is the cornerstone of the system of budgetary management. This oversight, or silence, raises a number of problems which are the main topic of this report.

In its proposal for a regulation, the Commission indeed states that it adopts its decisions and that these decisions shall apply immediately. This is fully in line with Article 205 of the Treaty. Nevertheless, it gives — indirectly — the management committee a veritable right of veto by virtue of the fact that, if the management committee disagrees with the Commission's decisions, the Commission automatically withdraws from the matter and refers it to the Council, which has two months in which to take a decision, which may be different from that taken by the Commission. What surprises the Committee on Budgets — and, I imagine, Parliament as a whole — is the fact that the Commission itself is proposing to relinquish authority to the Council in this way. Parliament cannot accept such an attitude, which is legally a flagrant diminution of the powers invested in the Commission by the Treaty. This is why the Committee on Budgets is proposing to Parliament an amendment designed to remedy this situation. What the committee wants is that the management committees should confine themselves to providing advice and opinions and that the Commission should exercise its responsibilities, since Parliament is there to help it uphold its decisions and carry out its responsibilities. What the Parliament is doing at the moment is simply helping the Commission to retain its powers and to prevent them from being whittled away by ill-advised technical procedures.

The Committee on Budgets took the view that the amendment to the regulation proposed by the Commission should be extended to the agreements concluded with the other Mediterranean countries I mentioned a moment ago. In fact, the Council has not yet voted on the earlier proposals approved by Parliament regarding the Mashreq, the Maghreb, Cyprus and Malta, since the Commission has decided to combine all these financial

Caro

agreements in a single regulation. Although this regulation has not yet been submitted to the Council, it will be in the very near future. That is why, with a view to the general harmonization of Parliament's proposals and of the regulations to be submitted to the Council, the Committee on Budgets suggests that the amendment concerning the rôle of the management committees with regard to the financial protocols with Greece, Turkey and Portugal should also apply to the other financial regulations now combined in a single text by the Commission, which, with more or less justification, saw no necessity to re-consult Parliament following its decision to treat these texts as a single proposal. You will therefore find appended to the motion for a resolution two amendments, one concerning the financial protocols with Portugal, Greece and Turkey, the other regarding the other Mediterranean countries which are the subject of the overall regulation to which I have just referred.

The third point concerns the implementation of Parliament's decisions. We note that, with the exception of the EIB loans, all the aid is budgetized. I shall not reopen this matter, which Parliament has already debated on several occasions, on which the Court of Justice has been consulted and about which our colleagues have addressed questions to the Council and received precise answers; but we cannot accept that the Commission should wait until the Member States ratify financial protocols adopted by the Council on the basis of the Community budget. Community law makes it clear — and the matter has never been contested in any way — that in this case, unless national sovereignty was called into question, there was no need to seek ratification by the Member States once the Council had taken a decision. We therefore regret that the Commission is waiting for this ratification by the national governments, as this is holding up the work of the Community and placing us in a political situation which is open to criticism.

I feel that the tenor of my remarks has made it clear that the primary concern of the Committee on Budgets is to support the Commission in retaining the powers vested in it by the Treaty and resisting the temptation, which many of us have recently noted, to relinquish one or other of its powers in the interests of maintaining, on dubious grounds and with dubious success, a balance with the Council, which, for its part, is, as we all know, not prepared to relinquish one iota of its prerogatives.

Commission and Parliament are working towards the same goal; I would therefore be grateful if Parliament would approve this report. I would add that it is understood that, should the Council not accept Parliament's proposals, the latter — and this I believe is what the Committee on Budgets has in mind — reserves the right to propose a conciliation procedure.

President. — I call Lord Brimelow to speak on behalf of the Socialist Group and to present the opinion of the Committee on External Economic Relations.

Lord Brimelow, (deputy draftsman of an opinion.)

— Mr President, the Socialist Group had hoped that Mr Amadei would be its spokesman this morning, but for reasons which we all understand, and with which we have the deepest sympathy, he cannot be here, and I have been asked at short notice to take his place. I should like to begin by congratulating Mr Caro on a very clear and enlightening exposition of the budgetary and parliamentary aspects of the Commission's recommendations. The details which he has laid before the House have not been expressly discussed in the Socialist Group, but the line of argumentation which he has put forward is, of course, familiar to the Socialist Group from the arguments developed in its midst by Mr Lange over the years, and I think we are all in agreement with the general line of argument. If Mr Amadei had been here, he would have spoken in rather more general terms about the Commission's proposals. They do give greater flexibility, and they will lead to greater efficiency in the use of the funds, and since we wish the relations of the Community with the Mediterranean countries to be close, efficient and helpful, we regard the Commission's proposals as a step forward in the administration of these funds, and we give them our full support. I hope that the Commission's proposals, subject to the amendments now going to be voted on by the House, will meet with general approval.

If I may change my hat, and speak for a moment on behalf of Mr Amadei in his capacity as draftsman of the opinion of the Committee on External Economic Relations, I have before me the report which he presented to that committee earlier this week. In it he says:

It is essential ... that the political will expressed by the Community to increase and strengthen its links with the Mediterranean countries, and particularly with those countries that in the short or long term will become Member States, should be translated into practice in the most effective way ...

It is essential that the financial assistance which the Community has undertaken to give to those countries be effectuated in such a way and at such a time as to guarantee its effective use ...

The implementation of the financial protocols with Greece, Turkey and Portugal justifies the adoption of more flexible administrative machinery than that which will be adopted for the Maghreb and Mashreq countries ...

Here you will notice a slight difference between what was said in the Committee on External Economic Relations and Mr Caro's recommendation for the introduction of parallel treatment with the countries other than Portugal, Greece and Turkey. The point was not explicitly considered, but my personal sympathy is with Mr Caro's proposal. The conclusion of the Committee on External Economic Relations was that

it is essential that technical instruments be established to realize, at the most suitable times and in the most suitable ways, the political and economic objectives of the Community ... For this reason, the adoption of more flexible administrative machinery for the implementation of the

Lord Brimelow

financial protocols with Greece, Turkey and Portugal is deemed justified.

This was approved unanimously by the Committee on External Economic Relations.

President — I call Mr Dalyell.

Mr Dalyell. — Mr President, as a member of the Committee on Budgets, I would like to ask a question which, I want to make clear, is on my own behalf, arising out of experience on the committee, and is not necessarily the opinion of the whole committee.

The relations between the Bank and the institutions of the Community are becoming more and more complex. Now we have these proposals on financial protocols. We have the proposals for investment loans — the Ortoli loans — and other sectors of industrial policy where the Bank is called upon to assist activities in implementing Community policy. Now, on the one hand, none of us wishes to impede the Bank in the useful contribution that it has to make. On the other hand, given its increasing role as regards the carrying out of Community policies, this parliament may well wish to enter into a dialogue with the Bank. The question that I put — I do not expect Mr Vouel to give an answer off the cuff now on a Friday morning, but I do address it to Mr Ortoli and Mr Tugendhat — is: in the view of the Commission, is such a dialogue possible, and what would be the appropriate form for such a dialogue? Because all that comes out of Mr Caro's report is that in fact we are not dealing with anything like a normal bank, and implied is a challenge to many of the criteria that bankers use. In these circumstances, perhaps we are developing something of a fresh institution. All I am asking is that the Commission, coldly and in its own time, reflect on what, given the political role that we are now and increasingly asking the Bank to play, is the best form of dialogue between the Bank and the institutions of the Community. For my part, I shall certainly be writing in similar terms to Mr LePortz and Sir Raymond Bell, and I hope that Commissioners Tugendhat and Ortoli will reflect on what I believe to be a pertinent question in this matter.

President. — I call Mr Lange.

Mr Lange, Chairman of the Committee on Budgets. — (D) Mr President, I would not have asked for the floor had not Mr Dalyell raised certain questions, even though he spoke only in his own name. The very fact of asking such questions seems to me to constitute a risk in itself. In my view, the Community has only three institutions with political responsibilities. They are the Commission, the Council and Parliament. I do not include the Court of Justice, since there is no immediate link between Parliament and that institution. Neither do I include the Court of Auditors, because its tasks are situated on a different plane. Although the Bank was set up by a protocol which forms part of the Treaties, it is not a Community institution, and I do not think it

would be advisable to alter in any way the quality of relations between the institutions by establishing additional relations with any one body.

I personally would like to see the Bank remain simply what it is. On the one hand, it is required to fulfil its duties as laid down in the protocol and to finance certain investment projects, and, on the other, it is a technical sub-agency of the Community — in this case, the Commission. Any official dialogue between Parliament and the Bank implies a qualitative change in relations between the institutions. I merely wish to make clear that, however urgent a question may seem, we must always weigh up carefully any initiatives which might lead to changes in the Community institutions

We cannot afford to take such risks if we intend to maintain our political development towards a specific goal in the Community. It would be as though the German Bundestag were to establish direct relations with the Equalization of Burdens Bank or the Reconstruction Bank. Both these banks are technical intermediaries through which certain political decisions in the Federal Republic are implemented. And I for one do not see why we should adopt a different attitude, since there can be no question of turning a bank into a political body of the Community.

This is all I wanted to say, but I do hope it will induce Mr Dalyell to think again.

President. — I call Mr Vouel,

Mr Vouel, Member of the Commission. — (F) I thank the honourable rapporteur for his extremely constructive report on the Commission proposal on the Financial Protocol concluded with Greece, Turkey and Portugal. I note that the rapporteur has taken this opportunity to propose an amendment to the previous and similar Commission proposal on the application of Protocol No 1 on the Cooperation Agreements concluded with Algeria, Morocco and Tunisia. In both cases the amendments proposed by the Committee on Budgets have the aim of preventing the rôle which has been conferred on the Management Committee from restricting the Commission's powers and responsibilities with regard to implementation of the budget. This question of the allocation of powers and responsibilities on budgetary matters is of supreme importance and should certainly be taken up by the conciliation procedure between the various Institutions as soon as possible, so as to reach a common interpretation of Article 205 of the Treaty. Meanwhile, in view of the fact that the same problem arises in other areas such as the energy sector, the Commission proposes to adopt an overall position, in order to preserve the rights and responsibilities conferred on the different institutions in the way desired by Parliament.

With regard to implementation of the Financial Protocols, the Commission shares Parliament's point of

Vouel

view, according to which, legally speaking, such application does not require prior ratification by the Member States, for the simple reason that the necessary funds have been included in the budget. However, given the satisfactory progress on the ratification procedures, there would not seem to be any need for prior introduction of the protocols.

Let me take the opportunity, Mr President, to reply briefly to the question, raised by Mr Dalyell, whether relations could be established between Parliament and the European Investment Bank. Here I should be grateful if he would not insist on my giving him a definitive reply this morning, before referring the question to the Commission. But I can give him my personal opinion, which is that this is a very delicate matter, and although it is debatable I would incline to the view expressed by Mr Lange.

President. — I call Mr Dalyell.

Mr Dalyell. — I think it is wholly reasonable that Mr Vouel should take this attitude, and it is quite proper and legitimate. This is not the time or occasion to enter into a dialogue with my friend, the chairman of the Committee on Budgets, Mr Lange, and of course, any point of view that he puts forward on such matters weighs heavily with me. I would not even have challenged this opinion three, or two years ago, but, with as much humility as I am capable of, I would say that because of the kind of proposal that we are now getting embodied in the Caro report, whether we like it or not the nature of this Investment Bank is changing. All I say is that it is a matter worth discussing and this Mr Vouel has promised to do, so I leave it at that.

President. — I call Mr Caro.

Mr Caro, rapporteur. — (F) Mr President, I should first like to thank Lord Brimelow for his speech, and more particularly for his remarks on the flexible and general nature of the regulations to be introduced. It seems to me that this is really the aim which the Committee on Budgets had in mind when it tried to harmonize the texts which have been adopted successively and I think that there is thus a need, whether it be the Management Committees, or this basic problem which we have just debated again, of relations between the Commission and the European Investment Bank in particular, for Parliament to adopt a very clear and consistent position each time a similar subject arises. I think that when the Commission is called upon to negotiate with the Council, or in the framework of a conciliation procedure, it will always be faced by the same problem: what is Parliament's position? And in these circumstances Parliament should adopt positions which are as clear as possible, avoiding any kind of ambiguity.

To Mr Dalyell, I would say that I am personally very conscious of what he has said. This point worries me just as much, but, if only because it is our committee

chairman, with his considerable experience, who is concerned, and because the levels of power are laid down by the Treaty, I think Mr Dalyell has dealt with the question without raising the European Investment Bank to a level to which it is not entitled — that of an Institution; its level is certainly that of a technical body at the disposal of the Community with which, to repeat what I have written in my report, there is no doubt a case for implementing a procedure for technical assistance, carefully defining the rôle of each side.

I shall take this occasion to say how obliged I am to Mr Lange for his support in the debate in which I was a mere novice.

Mr Vouel, I am extremely grateful to you for your comments. I can see that the Commission is taking the path which Parliament desired. Thus, whether it is a question of the Management Committees or interpretation of Article 205 in the framework of a conciliation procedure, everything you said was entirely in line with the view of the Committee on Budgets, and I hope, with the unanimous view of Parliament.

With your permission, I shall express one very slight reservation concerning your last remark, on ratification of the Financial Protocol. You have attempted to reconcile the pros and cons in this matter; you have said that you do not see the need to proceed with a prior implementation, given the fairly obvious progress of the ratification procedures. You are the ringmasters at the Commission; we ask you to keep up the pace. If the ratifications take place, well and good; But I should like you to assure Parliament, Mr Commissioner, in the spirit of the report which it has been my honour to present, that there is no precedent involved here to which reference could be made in connection with identical ratification procedures, but simply a question of fact.

I should be grateful if you would kindly confirm that this interpretation is correct.

Mr Vouel, Member of the Commission. — (F) That is precisely the case.

President. — I note that no one else wishes to speak. The motion for a resolution, as such, will be put to the vote at the end of the sitting.

The debate is closed.

11. *Community financial participation in Member States' projects*

President. — The next item is the oral question without debate (Doc. 68/78), by Mr Seefeld to the Commission, on financial participation by the Community in projects carried out in the Member States:

President

1. Does the Commission share the view that the public is frequently unaware of the European Community's financial contribution to projects carried out in the Member States?
2. Does it also feel that reference to the European Community's financial involvement could improve its image and generate a stronger feeling of solidarity amongst citizens of the Community?
3. Will the Commission insist in future that in all projects for which financial aid is provided by the European Community hoarding *in situ* should draw attention to this fact, particularly in the case of aid measures under the regional policy?

I call Mr. Seefeld

Mr Seefeld. — (D) Mr President, I shall be more than brief, since I feel I can assume that the Members of this House and the Commission have fully understood the meaning and the purpose of my question.

On the eve of direct elections to the European Parliament, many of us are frequently asked the question, 'What is the European Community doing for me, a citizen of this Community?' 'I do not know!' most people will say. And this means that although the Community's achievements are considerable, it does not succeed in explaining to the majority of our citizens exactly what it does and why it does it.

I would therefore like to know whether the Commission agrees that the public is not aware of the financial support provided by the Community for projects in the Member States. Does it not also agree that if attention were drawn to the financial aid given by the Community, it would improve the image of that Community in our countries? I am convinced that this would help to generate a feeling of Solidarity among Community citizens.

The last part of my question is prompted by something which has become common practice in Germany in recent years. As you know, considerable reconstruction work was carried out after the war in Germany with the help of funds provided under the Marshall Plan, and everyone throughout the country knew that the reconstruction of our country was being achieved largely thanks to ERP funds. It was sufficiently publicized, everyone could see it, everyone knew it and everyone appreciated this willingness to help. And even today, wherever the Federal Republic is carrying out construction work with Federal funds, the *Länder* are building with the aid of *Länder* funds and local councils with council funds, there are notices to this effect and the men and women of this country know just what is going on.

Mr President, ladies and gentlemen, all I ask is for citizens to be able to see just what is being done with their money, with the taxes they pay. A little notice, or a plate, would be a daily reminder to all those who generally walk blindly past such projects that the

Community is working for them and in their interests. In the field of regional policy alone, innumerable projects are subsidized by the Community. Wherever roads, houses or factories are being built with the help of Community funds, an appropriate notice would remind people that the Community was not just something based far away in Brussels, not just one big bureaucracy, but provided practical, tangible assistance in the many different spheres in which the man in the street is active.

Mr President, I think I have made myself sufficiently clear. Returning to my point of departure, I believe that, since direct elections are just around the corner, it is in the Community's interests to do everything to show the man in the street that the Community is an active body whose accomplishments are of direct interest or utility to him.

I should be most grateful if the Commission were to adopt the suggestions contained in my question. I know that I am not the only one who sees things in this light; once my oral question had been published, many other Members confirmed that they shared my views. I should welcome it if appropriate steps could be taken in the Community.

President. — I call Mr Vouel.

Mr Vouel. *Member of the Commission.* — (F) The Commission does not entirely share the pessimism of the honourable Member with regard to the publicity given to financial aid granted to projects carried out in the Member States. They were certainly given wide coverage in the press, on radio and television in particular, which is normal enough, in the countries which benefit most from aid granted by the Community. It is nevertheless true that the publicity given to such aid in the more prosperous countries which benefit less from it, is rather less intensive. However that may be, the Commission notes that there is much still to be done in this field. Indeed, it is in order to do better that the Commission has recently been taking steps to ensure that the decisions on financial intervention are systematically publicized. Not only are press releases distributed to the international press a credited in Brussels, but the Directorate-General for Information, and its Press and Information offices in the Member States supply the press, radio and television in the recipient regions with the details of projects which have benefited from Community financial aid. This information not only covers the activities of the Social Fund, the Regional Fund, the EAGGF (Guidance Section) and intervention in the ECSC sector, but also a number of research contracts. The EIB also undertakes press work after each of its interventions.

The Commission is also entirely in agreement with the view that, by giving publicity to financial support granted by the Community its public image can be improved and the feeling of solidarity among Com-

Vouel

munity citizens strengthened accordingly. That is why the Commission continues to encourage the national authorities to give appropriate publicity to Community financial intervention. This Commission campaign has already met with some success in several Member States.

The use of hoardings is a good way of publicizing Community intervention where it lends itself to this approach. After prompting by the Commission, the Member States have agreed to the idea of putting up information hoardings in connection with major infrastructure projects financed by the Regional Fund. Hoardings are increasingly used in some Member States, but it would be unrealistic to try to advertise all the projects undertaken within the framework of the regional policy and the like by putting up signboards *in situ*, firstly because some projects do not lend themselves to this, and secondly, because the erection of hoardings is not the normal practice in some of our Member States.

Finally, Mr President, the Commission feels that the citizens of the Community have the right to know how European public funds are spent, and the Commission will endeavour wherever possible to ensure that they are so informed.

President. — This item is closed.

12. *Third European Community-Latin America Interparliamentary Conference*

President. — The next item is the report by Mr Sandri (Doc. 574/77), on behalf of the Committee on External Economic Relations, on

the outcome of the Third European Community-Latin America Interparliamentary Conference (Mexico, 24-27 July 1977).

I call Mr Sandri.

Mr Sandri, rapporteur. — (I) Mr President, the Third Conference between our Parliament and the Latin-American Parliament was held against a background of extremely difficult economic and trade relations, marked by a sharp drop in Latin America's relative share of overall Community trade. It should be pointed out, however, that this regression corresponds to Latin America's decreased share of the world market as a whole.

Another politically salient factor at the time of the conference was the seeping stain on the Latin-American continent of repressive régimes, the number of which has increased, as was shown by the changed composition of the Latin-American Parliament.

I would remind the House that at the First and Second Conferences, held in Bogota in 1974 and Luxembourg

in 1975, the President of the Argentinian Parliament, Italo Luder, acted as co-President; however, at Mexico City Argentina was not present, because the 1976 *coup d'état* — as you know — abolished all freedoms and also dissolved the Argentinian Parliament. This has happened in other countries too, and the anomalous composition of the Latin-American Parliament reflects the political situation on that continent.

In the light of these economic, trade and political factors, the Committee on External Economic Relations considers that the Third Conference achieved a remarkable success in which our institutions played a large part. Admittedly, there were technical shortcomings in the organization of the conference: the agenda was probably too long, making it impossible to reach a positive conclusion on all the items; I might add that some Latin-American representatives submitted requests which I would qualify as exaggerated, given the opportunities open to the European Economic Community. However, leaving aside these considerations, it was a success: first of all, because the European Parliament secured the participation at the Mexico City Conference of representatives of the dissolved parliaments of authoritarian régimes; secondly, because in his opening speech President Colombo drew the attention of all those taking part to the question of democracy as the central issue of our discussions. Indeed, the proceedings of the Assembly in Mexico City began with a tribute to those Latin-American parliamentarians who had taken part in the Luxembourg Assembly and who, in the meantime, had been killed by reactionary régimes. Furthermore, the debate on human rights was extremely lively and generally useful and, above all, forged a unity of purpose among the European and Latin-American participants. Finally, in the discussions dealing more specifically with economic questions, the European representatives appealed for realism and insisted on the need to look at the facts and not to expect mere words to solve all the existing problems.

The Latin-American representatives have largely overcome the bitterness towards Europe which marked the previous Assemblies, when Europe was accused of negligence and protectionism in its relations with Latin America; on this occasion, they were optimistic — perhaps excessively so — about ways of extending relations between the two parties.

The discussions brought out the great issue of the economic and social development of this continent, a development for which the extension of democracy is a necessary precondition, seeing that, in Latin America today, there are limited categories of people enjoying a decent standard of living, privileged groups endowed with extraordinary wealth and, finally, an ocean of misery represented by the great mass of the people, who do not work and do not consume, and do not therefore constitute a market. Big industrial and financial complexes are now establishing themselves in these countries and using them as a base for exporting all kinds of

Sandri

products, ranging from iron-and-steel products to textiles, to the European market. This is jeopardizing our own economy and, at the same time, is not helping the Latin-American people to develop, as they were poor before and are increasingly poorer now. It thus became clear at Mexico City that the need to strengthen democracy should not remain the mere reiteration of a principle and confined to the ethical plane, but is an essential precondition for economic development. These countries must create a market for production and consumption. This alone will enable them to import goods as well as export goods, thereby opening the way for balanced trade between Europe and Latin America and an expanding economy — neither of which exist at present.

My final comment, Mr President, is this: our conference received ample coverage in the Latin-American press — both in the Mexican press and on Mexican television and in the press of all the other countries of the continent. Sometimes our resolutions were expressly approved. More often, in countries such as Chile or Argentina, the conference was the target of violent criticism and bitter polemics; however, it attracted considerable comment throughout South America. I believe that, despite the extremely difficult situation, things are now changing. Over the next few weeks or months, elections will be held in Bolivia, Peru and Ecuador, spelling the end of military régimes and the beginnings, at least, of a restoration of the party and trade-union systems and the functioning of parliamentary institutions. The representatives of these countries were with us last year in Mexico City; we offered them a platform to criticize the ruling powers in their countries; I believe that the polemics which raged in the Latin-American press last year and the fact that we offered them this platform has helped — albeit in a small and modest way — to launch the process leading to the restoration of democracy in Latin America.

For this reason above all, Mr President, and without laying ourselves open to accusations of complacency, I believe that the Third European Community-Latin America Interparliamentary Conference may be considered a success, and ought to boost the development of economic, trade and political relations with the peoples of this great continent rich in economic, cultural and human potential, a continent waiting for Europe to come forward as a marker for a new direction in its international relations — a new direction which will give all the Latin-American countries greater independence and, consequently, greater opportunity to develop.

This has been the view of the Committee on External Economic Relations on the outcome of the Third Conference. As rapporteur, I would ask Parliament, on behalf of the committee, to adopt the motion for a resolution.

President. — I call Mr Santer to present the opinion of the Legal Affairs Committee.

Mr Santer, deputy draftsman of an opinion. — (F) Mr President, I have been instructed by Mr Rivierez, draftsman of the opinion of the Legal Affairs Committee, to make a few brief comments on the motion for a resolution which is now before us.

First, the Legal Affairs Committee would like to stress that the considerations and statements on human rights included in the Final Act of the Mexico Conference treat human rights as a *de facto* element of a Community foreign policy and of any concerted action by the European Parliament and its Latin-American partners in the talks. For this reason there is surely no point in drawing up a new charter on human rights or making a systematic list with accompanying definitions; instead, the aim should be to promote, in practical situations, the political will to rectify these violations of human rights which, if committed by state authorities, would be severely condemned by public opinion and likely to be referred, for instance, to the Commission and the Court of Human Rights in Strasbourg.

My second remark concerns the setting up of a joint working-party on human rights within the framework of relations with the Latin-American Parliament. The Legal Affairs Committee has noted that the creation of such working-parties is not governed by any provision of our Rules of Procedure, so that in the circumstances reference can only be made to precedents established by the institution of a similar working-party within the framework of relations with the United States Congress. The decision to set up such a working-party would seem to be a decision of a political nature taken by the Bureau, and the Legal Affairs Committee wonders whether the conditions for creating such working-parties should not be laid down specifically in our own Rules of Procedure.

Those, Mr President, were the two points which I wanted to raise in connection with the present report.

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

Lord Brimelow. — Mr President, I should like to congratulate Mr Sandri on a very good and well-balanced account of the conference which was held in Mexico City. I think he was quite right to say that, from the point of view of the protection of Parliamentary democracy and human rights, this conference and the publicity which it achieved in the press of Latin America served a most useful purpose, and I think that the participants in the conference all deserve our thanks and our good wishes for their future work. But, as regards the next conference, which should be held in this continent, when we discussed the Third Conference in the Socialist Group, its chairman, Mr Fellermaier, asked me to draw attention to certain shortcomings in the organization of the Third Conference and to emphasize the importance of one point in Mr Sandri's motion for a resolution, namely, paragraph 13, which stresses the

Lord Brimelow

need for proper preparation of the next conference. The Third Conference did good work, but I should like to see the fourth conference doing better work.

At the beginning of his speech, Mr Sandri emphasized the part which economic questions had played in the conference in Mexico City, and I think it is chiefly on the economic side that the preparations for the Third Conference were less than adequate. Three working-papers were prepared for it, one by Miss Flesch on the new international economic order, one by Mr Pintat on economic and trade relations between the European Community and Latin America, and one by Mr Sandri himself on financial cooperation between the European Community and Latin America. Now these were very sensible documents and they drew attention to a number of points where caution would be needed, but none of these documents was discussed before the holding of the conference in Mexico City in any committee of this House. They were prepared rather belatedly, though not through the fault of their authors. They were not discussed collectively by the members of the delegation before they went to Mexico, and Mr Sandri pointed out how many questions arose in Mexico. There was great time-pressure, and the staff of this Parliament who accompanied the delegation had to work night and day in order to cope with the questions and suggest how they be handled. This was not business like, Mr President. What we should have done was to spend more time on preparation. What we have done is to spend a lot of time on post-mortems in committee. This is not the right way to prepare for a conference, and the way we have conducted the postmortem does not in itself guarantee that the preparations for the next conference will be any better. What I hope is that immediately after the summer break all the committees concerned will get down to the preparation of the next conference in order to ensure that its various aspects will be properly handled.

To illustrate what I have in mind, may I just turn to the motion for a resolution put forward by Mr Sandri? If you look at paragraph 5, this reads that the European Parliament.

favours wider economic and financial cooperation between the European Economic Community and the countries of Latin America based on the principle of complementary resources, equality and the mutual interests of both sides;

and I would emphasize 'the mutual interests of both sides.' If you look at the Final Act, you will see that very little is said about the interests of the Community, but Mr Sandri, in his speech this morning, has stressed that certain industries in the Community are being undermined by imports. We have to follow a very delicate line between freedom and protectionism, and the Final Act is less carefully worded than Mr Sandri's report. If there had been more careful separation, I think the wording of the Final Act would have been more in accordance with the present policies of this Community.

Now, if you take the next point, the European Parliament, in paragraph 6,

takes the view that such cooperation will be facilitated by the implementation of a new world economic order [it does not say *the* new world economic order] more in line with the economic interests of the developing countries, and welcomes the important and positive rôle played by Mexico and Venezuela in promoting this principle.

That wording is excellent. I wish the wording of the Final Act had been as good. Then in paragraph 8, the motion

requests the competent bodies to reach a speedy decision on the Community aid for non-associated developing countries to be allocated to Latin America, which should be determined in the light of population size, the level of economic development and the relative needs of the various regions concerned.

That, Mr President, is right, but what the Final Act said was that half of the Community's aid should be given to Latin America. Now, if you look, in this same Document 574/77, at the opinion of the Committee on Development and Cooperation, which has not been mentioned hitherto this morning, you will see that that committee

feels that the participants at the conference undoubtedly acted prematurely in adopting the section of the report of the Working Committee on Economic and Financial Relations dealing with financial aid by the European Community...

It draws attention to the recommendation of 50 % and it goes on to say that

the rapporteur, Mr Sandri, took a much more careful approach in his report when he said that 'considering the extensive needs of the Asian countries, their population density and economic backwardness compared with most Latin American countries, to allocate a 50 % share to Latin America hardly seems compatible with the relative positions of the two groups, and it would seem fairer to allocate no more than something like a 30 % share to Latin America.'

The last point to which I draw attention is that concerning a proposal for a European/Latin-American Bank. I will not go into details, because we have a heavy agenda this morning, but Mr Sandri's proposals were more cautious and, in my opinion, more correct than what in fact appeared in the final document of the Mexican Conference.

It is desirable, Mr President, that the next conference be better prepared and I hope that all the committees concerned will get to work on that preparation immediately after the summer break.

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

Mr Klepsch. — (D) Mr President, ladies and gentlemen, following what Lord Brimelow has just said, I

Klepsch

should like to make a few remarks on this subject on behalf of my group. As regards the last part of his statement, I do agree that it is important for these conferences to be properly prepared in every respect, in order to arrive at as uniform and precise a position as possible on the implications of the matters to be discussed there, so that the results obtained in the course of joint meetings between the Latin-American and European Parliaments become, if I may use the word, somewhat more tangible, which would make it possible to draw more conclusions. However, to return to the last conference between the two parliaments, I should like to make the following remarks.

Firstly, we gained the impression that discussions between both parliaments and parliamentarians concerning the possibilities open to, and the problems facing, both sides were far more realistic than hitherto. We believe that the quality of exchanges between the two parliaments has improved in that statements were generally more factual and pertinent. This is why I agree with Lord Brimelow that such conferences should be better prepared.

As regards the subjects which we discussed, we found ourselves at a slight disadvantage on account of the fact that the number of countries represented in the Latin-American Parliament had diminished. Having had cause to follow particularly closely events in Argentina and Uruguay, we made a point of stressing the serious problem of violations of basic and human rights, which was one of the most important issues to be considered in the political committee of the conference. Our criticisms were directed at four countries in particular, and we took the opportunity of intervening in favour of certain individual victims, whose fate we considered particularly characteristic of the problem in general. However, since we were well aware that the struggle to ensure respect for basic and human rights in Latin America is closely linked with the fight to establish free democratic institutions in the countries of Latin America, we were also able to assure our Latin-American friends of our full support for their efforts to set up a democratic order in Latin America.

The second major subject to be discussed was the improvement of cooperation between Latin America and the Community institutions; in this connection, we might bear in mind that the accession of Spain and Portugal to the Community will create additional contacts and links with Latin America. It emerged from our debates that, because of our special relations and numerous association agreements with the ACP countries, which I shall not go into further at the moment, the Latin-American countries feared that they might be a trifle neglected. This is why a number of proposals, including those put forward in the Sandri report, were discussed with a view to improving relations between the European Community and Latin America.

Finally, I should like to observe that, in the course of our discussions regarding improved cooperation in the

light of the world economic situation, we were happy to find that at this conference between the two parliaments it was possible to be more specific and to make it clear that Europe, too, had poor countries and economically powerful countries and that the same applied also to Latin America, if one considered the position of a country such as Venezuela, for instance.

The exchanges on these matters were consequently conducted in an atmosphere of greater understanding, and this is reflected also to a certain extent in Mr Sandri's report.

I mention these few particular points to demonstrate how much importance my group attaches to the continued development of relations between the European and Latin-American Parliaments and how wholeheartedly it supports all efforts to achieve free democratic structures in Latin America and respect for basic human rights in all spheres. We wish to express our solidarity with our Latin-American counterparts in this respect. However, we feel that if our relations with Latin America are to be extended, this must be done within the framework of our efforts at world economic level, which in turn form part of the Community's external relations, to achieve durable and positive results. This should also be borne in mind when we meet in Grenada for the ACP Conference.

In conclusion, I wish to stress how important it is for the committees concerned to meet even before the summer recess and to begin preparing the autumn meeting with the Latin-American Parliament. This should enable us to make sure that the autumn conference is as fruitful as possible, especially if we have an opportunity of holding preliminary discussions or at least establishing preliminary contacts with the delegations and institutions of the Latin-American Parliament. From this point of view, Mr President, my group feels that this preparatory work is absolutely vital.

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

Mr Nyborg. — (DK) Mr President, I too should like to add a few words of praise for Mr Sandri's report. As it now stands it is an excellent report and — if I may say so — much better than when I first saw it.

On the whole, it is to be welcomed that we are expanding our international cooperation where we can and trying to bring about greater understanding, not just between countries, but also between continents. I believe our Community has an important rôle to play, because we are not bound by political tradition as the major powers are and it is easier therefore for us to establish and expand both diplomatic and trade contacts. We must apply this principle even more widely than we have done so far. It also formed the starting point for our Third Conference in Mexico City.

Nyborg

But I will not dwell too long on these points of principle; as has already been said, today is Friday and many people want to go home. But I would like to say that I agree with Lord Brimelow. There were some major technical and organizational shortcomings at the conference in Mexico. Loudspeaker and interpretation equipment was so limited that at least half the speeches given at the conference could be neither heard nor understood. This obviously explains why the outcome was not as good as it might have been.

Much was said about democracy and much was said about human rights, but those who had most to say were from countries that leave most to be desired. It is therefore very important, in my view, that Mr Sandri pointed this out so forcefully in his report. I think that we in the European Community, in our future cooperation with South America, the Lomé countries and so on, should stress even more forcefully that we cannot cooperate with countries that blatantly infringe human rights.

President. — I call Mr Dalyell.

Mr Dalyell. — Lord Brimelow, as usual, is absolutely on target when he talks about preparation. But I must say to Mr Nyborg that my impression at Mexico City was that the staff of the Parliament and the interpreters absolutely sweated their proverbial guts out from morning to night to do a good job, and I would not like it to be thought that there was any criticism of them, because I absolutely assert, having seen it at first hand, that those members of staff that we took with us, in whatever capacity, really did work extremely hard, morning, noon and night, and so I hope that there is no criticism implied. If I have misunderstood Mr Nyborg, I apologize: all I assert is that the staff who went were a credit to this Parliament.

Mr President, I think we ought also to record, as priority, our very considerable gratitude to our Mexican hosts in general and President Portillo in particular, for the enormous trouble they took to make us welcome. If anyone doubts what was actually achieved in the discussions we had with our Mexican hosts, the members of the Mexican Assembly, I would like to say to colleagues that I vividly remember going, hammer and tongs, in long discussions over meals, with the women MPs who represented the poorer parts of Mexico City. The very fact that we could have that kind of heated discussion among friends was important in itself. This is an achievement not to be lightly dismissed. Indeed, if I may say so, I remember with affection my late friend and colleague, Cornelis Laban, arguing with the Governor of Yucatan at Mérida about very basic issues of politics. This, too, is not likely to be dismissed just as a junket; in my belief, this kind of argument really did some good and I suspect that Lomé and the Latin-American contacts of this Parliament, far from being junketing, may be among the most important work that we have achieved over the long term. One of the mem-

bers of staff will remember the discussions we had in Mexico City with the Sub-Committee on Terrorism, that I was rapporteur for: even the unreceptive Nicaraguans may, one likes to think, have benefited somewhat from the fact that these discussions took place, so I do not think that this should be lightly dismissed. And I agree very much with Mr Sandri when he says, in his excellent report, that the fact of going itself was some contribution: we will not overrate it, but it was some contribution to encouraging the spirit of democracy in Latin America itself.

Now, Mr President, I just want to come back to a few practical considerations concerning the return conference. The fact of the matter is that not only did our Mexican hosts go to great expense, but they went to very considerable trouble to organize, not only the conference in Mexico City, but, afterwards, six visits to different parts of their country; and, frankly, I think there is a moral obligation on the part of this Parliament to start now to discuss how we return this hospitality when the Latin Americans come here to Europe, because I have some fear that — I see that Mr Scott-Hopkins is nodding — unless we get down to this in good time, we in Europe are not going to do nearly as well as our Mexican hosts did for us. Therefore I plead with those in the Bureau and others whose job it is, to start now, immediately, about what follow-up there is to be for our Latin-American guests when they come to the conference. If by chance a small group would like to come, for example, to Edinburgh, this would be magnificent, but, to put it bluntly, you really must let us know now, because we have got to enter into discussions with the Foreign Office and the British Council at an earlier stage. On the whole, like other Foreign Ministries in the Community, the British Foreign Office is extremely cooperative, but they do not like to be landed with last-minute plans and last-minute requests; that is not the way they work, and if things are to be done properly they have got to be organized months before, so I plead with the Bureau: for heaven's sake lay this on as soon as possible, tell us what you want and then we will get to work, but do not let it be a last-minute affair.

I want to say one other thing very bluntly, — perhaps I should not, but I am speaking in a personal capacity — that this Parliament has to get clear with itself. I make no complaint at all about the political set-up in the selection of these delegations. It was done absolutely fairly, as always, right across the political spectrum. But, candidly, some sense, some discrimination, must be shown in the selection of Members, some of whom may not be fit enough to undertake this kind of journey. It was a little shame-making that some of our colleagues decided to hive off before the end of the programme that our hosts had laid on for us. There may have been good reasons; they may have been health reasons or reasons of personal engagements elsewhere; but I do think that if this Parliament is going to send delegations, be it to Lomé, South-east Asia or South America, those who are going have to be asked: first, whether they are

Dalyell

fit enough to undertake the journey and, secondly, whether they are prepared to enter into the spirit of the whole delegation, because when people go to as much trouble as the Mexicans did, it really is unsatisfactory that their guests do not behave, in terms of time, quite as guests should in these circumstances. I hope colleagues will take that in the spirit in which it is said, but I think it is a matter for some consideration.

Finally, on my way there, I made a personal detour *via* Belize and discussed the Belize situation in Mexico City with many Latin Americans. May I give this as just one example of the kind of discussions where a forum is provided for delicate issues? This is neither the time nor the occasion to argue for or against the British case on Belize, but simply to say that it is an example of how such getting together can in fact help difficult, delicate situations. Therefore I say that I have been extremely grateful to my colleagues for having selected me to go: I think it was a highly valuable experience, a privilege to go, and I believe that these things, far from being a junket, do some real and lasting good.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — As the House will know, I was the chairman of the preparatory meeting with the Latin-Americans, which took place in the Dutch Antilles, and I would have thought that the arrangements made by our Mexican hosts were extremely satisfactory. One can never prepare for everything or foresee the problems that are going to arise. I would go along with what Mr Dalyell has said about the quality of the services provided by this House. I thought they were excellent, though there were little problems here and there, there always are. I thought that the quality of the services provided by our hosts, the Mexicans, was excellent too. I would join with others who have said that we should really be very thankful for what was laid on for us, not only at the main conference in Mexico City, but at the peripheral conferences that took place afterwards. I also join with others in saying, and I am sure the rapporteur will agree too, that trying to return the hospitality which we received there is going to be extremely difficult. In his report, the rapporteur says that the return conference is to be in 1978 — that is now this year. There is no way that we can lay this on in time. I do not know what has been going on behind the scenes, but I have heard nothing about a preparatory conference to be taking place next month or this month: it should have happened already by now, but this is what has happened before. I frankly do not believe it is possible to do it in 1978: I do not believe we can lay it on in time, and I do not think, either, that it is right to ask the Latin-Americans to come over here in the winter: that would be stretching things a little too far. So, the alternative for the next conference, which is going to be in Europe, is 1979. Then, of course, we come to the problems of direct elections, whether or not we are going to try and lay this on before direct elections or afterwards. Frankly, I do not think it can be done until after the

direct elections. The election campaign will be going on through the month of May, probably the month of April, and if one tries to hold the conference between January and April once again it is going to be very difficult; it could be done perhaps at the end of March or the beginning of April, but that is the earliest date and, indeed, the last date for any similar conferences being held. As has already been said by Mr Dalyell, one has got to start now laying on the provisions for it. We ought to get in touch now with our opposite numbers and lay on a preparatory conference this summer.

Turning to the substance, the point which worries me — and I think it worried other members at the conference itself — is the position of those States and their representatives who are not in the position of having a democratic government. They sent observers. This is a constant worry — and I think our rapporteur would agree with this — as to who is invited and how they are invited. We are going to have to think very carefully as to what we are going to do at the next conference over here. It is right that from those countries where there is no democratic government — I am not going to go round the Latin American countries naming them, that would be invidious, anyhow — one has to make quite certain that the voice should be heard of those people who took part in the democratic government, as we understand it, before it was overthrown. Equally, one has to be clear that that does not get out of proportion, as it very nearly did in Mexico. I remember, as I am sure other Members who were there will remember, the last day, with the press conferences and all the rest: it was very nearly entirely concentrated on the extremely worthy gentlemen who came from these countries where there are oppressive régimes, and at one point I thought we were going to get out of proportion all the hard work that had been done in the two committees and the two areas, and that it was all going to be concentrated on this. That would have been a mistake. Luckily we avoided it. I think we need to take great care in the future, when the conference is going to be held in Europe, to see that we keep the balance right.

Apart than that, I have only admiration for what happened in Mexico. I think the work we did was worthwhile and that communication between the Community and the Latin-Americans was greatly enhanced by our going there. Once again, I reiterate my thanks to our hosts from Mexico for the extremely useful and enjoyable visit we all took part in.

President. — By way of information, I can tell Mr Scott-Hopkins that negotiations have already begun and that the delegation from the European Parliament which went to Caracas was in touch with the President and Vice-President of the Latin-American Parliament with a view to organizing a preparatory conference. The conference proper may take place in January, as proposed by the Latin-American Parliament itself — that is, at a point between the Latin-American and European elections.

President

I note that no one else wishes to speak. The motion for a resolution, as such, will be put to the vote at the end of the sitting.

13. *Cost of Pollution Control to Industry*

President. — The next item is the report without debate (Doc. 85/78), by Mr Willi Müller, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on

the draft from the Commission to the Council for a recommendation to the Member States regarding methods of evaluating the cost of pollution control to industry.

I note that no one wishes to speak. The motion for a resolution, as such, will be put to the vote at the end of this sitting.

14. *Activities in the Veterinary, Animal-husbandry and Animal-Protection Spheres*

President. — The next item is the report without debate (Doc. 96/78), by Mr Verhaegen, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on

the communication from the Commission to the Council concerning the programme of work to be carried out in the veterinary, zootechnical and animal-protection spheres; staff required for such work.

I note that no one wishes to speak. The motion for a resolution, as such, will be put to the vote at the end of this sitting.

15. *Regulation on milk and milk products*

President. — The next item is the report by Mr Hughes (Doc. 100/78), on behalf of the Committee on Agriculture, on

the proposal from the Commission to the Council for a regulation amending the Annex to Regulation (EEC) No 804/68 on the common organization of the market in milk and milk products.

I note that no one wishes to speak. The motion for a resolution, as such, will be put to the vote at the end of this sitting.

16. *Eradication of rabies*

President. — The next item is the oral question with debate (Doc. 20/78), by Mr Spicer, on behalf of the European Conservative Group, to the Commission on the eradication of rabies:

In view of the westward spread of rabies within the European Community, will the Commission urgently bring

forward proposals for a Community-wide plan for the control and eventual eradication of this extremely dangerous disease?

I call Mr Spicer.

Mr Spicer. — Mr President, I am only sorry that we are going to discuss this very important subject on a Friday morning with, obviously, a very thin House. The whole purpose and aim of putting down this oral question on behalf of my group is to draw the attention of the Commission to an area where we believe that the Commission should, and must, take action.

Rabies is an extremely dangerous and very unpleasant disease: it is rarely other than fatal, and the agonies it produces in both humans and animals are quite horrifying, involving convulsions, hallucinations and finally a painful death from exhaustion and respiratory paralysis.

A situation map shows all too clearly just how widely this disease has spread into Europe since 1940. At that time, it was confined to Eastern Europe and was spreading into Poland. By the 1950s, it was in Czechoslovakia and East Germany; by 1960, it was in West Germany; and in the 70s, we have seen it come into Italy, Belgium, Holland, Luxembourg, France and Switzerland. Indeed, one can say that the only two countries in the Community which, by reason of the fact that they are islands, have so far escaped the ravages of this disease are Ireland and the United Kingdom.

Just what this means, in terms of both human and animal suffering, was very clearly illustrated at a recent World Health Organization conference. In the 5 years from 1972 to 1976, over 82 000 laboratory-confirmed cases of animal rabies occurred. As a result of that, post-exposure treatment had to be given to over a million people, and more than 600 people, in fact died as a result of rabies infection.

Those are the stark statistics, in terms of infection itself, but I think we should not under-estimate also the fear that is associated with rabies, and the way in which, quite apart from the actual infection, fear can spread over a large area as a result of one animal which is infected or one human being who dies as a result of it.

In the face of these quite appalling statistics, just what should we as a Community be doing? It would be quite hopelessly optimistic for us to talk about eradication, certainly in the near future. What we are really looking for is control and increasing vigilance, right the way across the board, within the Community and indeed in Europe. There was a time when the main carriers of rabies were cats and dogs concentrated in urban areas. That, of course, could quite easily be controlled; and, indeed, that, as a main source of infection, has disappeared. We have now switched to the much more difficult area of dealing with wild-life infection, and that is why eradication is so very difficult for us to consider. The main carrier of wild-life, or sylvatic, rabies is the

Spicer

fox. I saw a letter the other day from the chairman of the Council for Nature, and he made the position quite clear in that letter as follows:

The main difficulty that we face is that we are trying to deal with, and control, something which by its nature is uncontrollable. Wild life, which is the principal vector, is what its name implies wild and alive. Being wild, it is not obedient to manmade rules, and being alive, it is mobile. It is virtually impossible to eliminate all possible wildlife carriers in an area completely without embarking on a completely scorched-earth policy, which would not be acceptable.

I think that every Member of this House would say that is so: it is not just a question of environmentalists there, it just would not be acceptable to the bulk of the people who live within our Community and Europe if we embarked on a scorched-earth policy and killed off all wild life, because that is exactly what we should have to do. So, we have to look for control, and control must mean coordination. The work of the World Health Organization is central in this, and I would like, if I may, to pay tribute to that work. I think all too often we forget that, whilst we are talking about these problems, the World Health Organization have established control centres in Europe, are continually vigilant and are increasing their work year by year in this particular field.

But, of course their work in that field, excellent though it is, should, and could, be backed up by support from within the Community. I would just like, if I may, to point to 3 or 4 particular areas where I believe that support should be forthcoming.

Firstly, I think the Community could encourage Member States to coordinate more closely their anti-rabies policies and programmes. Perhaps some of this work could be undertaken by veterinary staff seconded from each country to a special unit in the Commission. Obviously, we do not seek another bout of harmonization for harmonization's sake, but there may be advantages in some degree of standardization of the types of vaccine allowed, rules for the control of pet animals in infected areas, payment for the vaccination of pet animals, etc. This line of enquiry should at least be examined for possible opportunities.

Secondly, Community funds should be made available for research into new and more effective ways of controlling and eventually eliminating the disease. I personally think that would be virtually impossible, but we must always look for the optimum result in a case like this and we should therefore aim for elimination whilst accepting that we shall probably fall short of that particular target.

Regarding the post-exposure treatment of human beings, there has been a tremendous advance in this sphere, but still that treatment is painful and is very, very unpleasant. I can remember, 20—25 years ago in the Middle East, when the treatment for rabies was

quite horrifying; it is not on that scale now, but certainly it is still very unpleasant indeed and, above all, it is unacceptably unreliable, and I think this is an area where we could do much more. But of course, we want to avoid duplication of work, and again I would come back to the rôle of the World Health Organization we should be backing them up rather than embarking on ambitious programmes of our own which would create a career and other structures which are quite unnecessary. Ours should be a back-up rôle. The World Health Organization are, I know, going to hold a major conference on rabies next year, and it seems to me that this would be an ideal opportunity to establish the Community's presence by sending someone to that conference, not as a representative of an individual country but as a Community representative with Community ideas to put forward.

Thirdly, I think the Community should examine the provision of centres for the post-exposure treatment of humans, in relation to the distribution of infected areas, and perhaps make recommendations in this field. A strengthening of appropriate veterinary medical sources may prove necessary in some areas.

Fourthly, given our involvement in the Lomé Convention and in other parts of the world — and we have just finished a debate on our relations with South America — we should extend our activities and our help beyond the Community, give other people the benefit of the research we are carrying out and encourage the World Health Organization in those areas where they need help. This is a positive way in which the Community should give support.

Finally, Sir, I would say that it is absolutely vital that in this work the Community speak with one voice and not with nine.

In conclusion, I ask the Commission if it will prepare, by the end of 1978 — and this is not an impossible task, because I know quite well that all the information required for it is already available — a report to be submitted to the Parliament detailing the situation of rabies in the Community and suggesting guidelines for joint Community action to combat this disease.

All I have been able to do this morning is to give some few suggestions. They are clearly not the only options open, and I hope that in dealing with this problem the Commission will have other ideas, and constructive ones. Such a report should not only examine the opportunities for action with current techniques but propose research programmes aimed at our ultimate goal — the eradication of rabies.

Sir, we have to catch the imagination of the people of the Community, and all too often much of the work we do does not do that. There are areas where people want joint Community action. They would like to see joint Community action on rabies, they would like to see

Spicer

joint Community action on fire control, on oil pollution, on any number of subjects where there is a need and a demand for a coordinated approach from the Community. I believe that rabies is such an area, I think it is a vitally important area and I hope that in replying the Commission will give us some hope for the future.

President — I call Mr Vouel.

Mr Vouel, Member of the Commission. — (F) The Commission is fully aware of the danger represented by the spread of a disease such as rabies in the Member States of the Community. It feels that, in the present circumstances, and given the means at their disposal, the Member States concerned are doing their utmost to combat this affliction.

However, the Commission does feel that better collaboration between the Member States could make the fight against this disease more effective. So two months ago it presented the Council with a working programme in the veterinary sector which also covers this problem. The Commission hopes that the Council will be able to give a view on this programme as soon as possible.

In the absence of adequate staff, the Commission does not at present feel able to undertake a full-scale action on its own, in the sense requested by the honourable Member. I can, however, assure him that I shall convey his ideas and constructive suggestions to the Commission, which I am sure will not fail to give them careful consideration.

President. — I call Mr Spicer.

Mr Spicer. — I would like to thank the Commissioner for that, in part, hopeful reply. I wonder if I could just ask one thing, and it is a very small thing. At least we recognize the staff are not available; we know the problems in setting up a research programme or dealing with this in any way, but could he at least give us an assurance that the Commission will make an approach to the World Health Organization and to the excellent people who run their team over the whole of Europe and see in what way in the future they believe the Community could be of some help to them and its work run closely alongside theirs? If we could just press forward, that would give us some hope for the future. Once the Commissioner has the approval of the Council on this, could he also give an assurance that there will be some urgency behind any work that is undertaken and that he will attempt to report back to Parliament, or to an appropriate committee of this Parliament, as soon as he possibly can — if possible, by the end of this year?

President. — I call Mr Vouel.

Mr Vouel, Member of the Commission. — (F) Mr President, Mr Spicer's speech calls for two comments from me. First, with regard to making an approach to the World Health Organization's experts, I cannot see any

difficulty, especially as the Commission has been in touch with them in the past.

Second, the Commission will be able to begin drawing up the report requested by Mr Spicer as soon as it has the Council's agreement on the programme which it has submitted and the necessary staff and financial resources.

President. — The debate is closed.

17. *Levyng of import charges by Dutch producers' associations*

President. — The next item is the oral question without debate (Doc. 67/78), by Mr Jahn to the Commission, on the levying of import charges by the Netherlands 'produkschappen' (producers' associations):

In numerous written questions, and most recently in Written Question No 48/77,¹ I have asked what conclusions the working parties and the Commission have reached regarding 1. What conclusions were reached by the working party Netherlands 'Produkschappen' with the EEC Treaty and what action the Commission intends to take. This matter was originally taken up by the Commission following a letter dated 5 August 1970 from the REWE-Zentrale. I myself have been putting questions to the Commission on this matter since 8 August 1974, without, however, receiving a satisfactory answer. I therefore again ask the Commission:

1. What conclusions were reached by the working party and the Commission on the compatibility of the import charges levied by the Netherlands 'Produkschappen' with the EEC Treaty?
2. What is in fact preventing the Commission from reaching a conclusion, given that, in trade between Member States, measures having an effect equivalent to customs duties have been banned under the EEC Treaty since 1 January 1970, and discriminatory taxation has been prohibited under the same Treaty since as long ago as 1 January 1963?
3. What action does the Commission now intend to take?

I see that Mr Jahn is not here. Would Mr Vouel like to answer the question?

Mr Vouel, Member of the Commission. — (F) No, Mr President, not in the absence of Mr Jahn.

18. *Directives on the design and insulation of certain types of equipment*

President. — The next item is the report by Mr Nyborg (Doc. 61/78), on behalf of the Committee on Economic and Monetary Affairs, on the proposals from the Commission to the Council for

¹ OJ C 180 of 28 July 1977, p. 12.

President

- I. a directive on the approximation of the laws of the Member States concerning the general requirements of construction and certain types of protection for electrical equipment for use potentially explosive atmospheres;
- II. a directive on the approximation of the laws of the Member States relating to common provisions for machine tools and similar machines for the working of metals, wood, paper and other materials; and
- III. a directive on the approximation of the laws of the Member States relating to hand-held, power-driven, portable grinding machines.

I call Mr Nyborg.

Mr Nyborg, rapporteur. — (DK) Mr President, this report deals with three separate proposals for the removal of technical barriers to trade. The Commission's proposal on power-driven portable grinding machines was discussed at greater length by the committee because some members were not satisfied with the organizations consulted when the proposal was being drawn up. We also discussed at length whether implementation of this directive would reduce the safety of those using power-driven portable grinding machines. It was mainly a question of the grinding wheels' rotation speed and the user's safety.

The Commission representative informed the committee about the many long negotiations that took place before the European Committee for Standardization eventually reached a compromise, and it is on those technical standards that the Commission based its proposal. By far the largest majority of committee members — the motion for a resolution was adopted by 9 votes to 1, with 4 abstentions — maintained that only experts could assess such technical safety standards and that in the circumstances Parliament was unable to adopt a position.

So, as far as technical matters are concerned, unless there are particularly strong counter-arguments in specific cases; we must rely on the Commission's technical knowledge. It must assume responsibility, which means that it must propose optimal standards. The Commission has given the committee to understand that it investigated the safety aspects before reaching its decision. What is going to be the upshot if every time the Commission proposes certain standards we try to assess them in detail when even experts do not find it simple or straightforward, but a lengthy process?

For these reasons the Committee on Economic and Monetary Affairs felt that this proposal for the removal of technical barriers to trade should not be delayed by a lengthy discussion of safety aspects here in Parliament. We do not have the knowledge needed to take part in such a discussion. Without harmonization technical barriers to trade will continue to delay the creation of a common market and lead to distortions of

competition between producers from the different Member States.

The creation of a common market is an important objective and, in view of certain members' comments, we therefore chose to mention in paragraph 1 that the Commission is responsible for laying down optimal standards. I know that some committee members have the impression that the Commission representative said that the British Standards Institution had supported the standards laid down. We have since found out that that is not the case and that the institution voted against the compromise on standards reached in the European Committee for Standardization.

It is in no way my task as rapporteur to try to defend the Commission if it gave the committee incorrect information. But that is irrelevant when we have to consider specific Commission proposals. The European Parliament cannot stop Commission proposals every time one or another national organization opposes a proposal that has been supported by most Member States, especially when technical problems are involved, as in this case. I therefore urge the European Parliament to adopt the motion for a resolution tabled by the committee. You all know that Parliament has recommended that the Commission adopt a faster and simpler decision-making process in connection with the abolition of technical barriers to trade — a new decision-making process that stresses the Commission's responsibility for the technical details. It would be difficult to take the European Parliament seriously if, irrespective of the majority reached in any vote taken in this Chamber, it obstructed the Commission's efforts to remove the remaining technical barriers to trade.

I also question the acceptability in the long term of almost always placing reports by the Committee on Economic and Monetary Affairs on the removal of technical barriers to trade on Parliament's agenda for Friday morning, when we know from experience that that is precisely when a minority have the best chance of having their viewpoints adopted.

President. — I call Mr Vouel.

Mr Vouel, Member of the Commission. — (F) Mr President, I shall not go into these questions in depth. I should just like to thank the rapporteur and the Committee on Economic and Monetary Affairs for their excellent report, the conclusions of which the Commission will find no difficulty in accepting.

President. — I note that no one else wishes to speak. The motion for a resolution, together with the amendments which have been tabled, will be put to the vote at the end of this sitting.

The debate is closed.

19. *Directive on hot-water meters*

President. — The next item is the report by Mr Nyborg (Doc. 29/78), on behalf of the Committee on Economic and Monetary Affairs, on

the proposal from the Commission to the Council for a directive on the approximation of the laws of the Member States relating to hotwater meters.

I call Mr Nyborg.

Mr Nyborg, rapporteur. — (DK) Mr President, this report should have been placed on the agenda several months ago. But it was delayed because of the Legal Affairs Committee's desire to go deeper into the question whether the Commission's proposal could be based on Article 100 of the Treaty. After months of consideration, the committee decided that it could accept this but at the last part-sitting it tabled two amendments that I did not think I could take a position on on behalf of the committee. I therefore suggested that the committee should have the chance to discuss these two problems.

And what was the result of this delay? The 1971 outline directive on meters expressed the desire to add a provision on the grounds for any rejection, and since then 20 separate directives have been issued. The Committee on Economic and Monetary Affairs cannot see why, in the case of this directive but not in others, we should lay down more detailed provisions on this problem, which, as I said, is already dealt with in the outline directive. In addition, the Commission has informed us that it intends to submit an amended proposal for an outline directive dealing with the problem raised by the Legal Affairs Committee.

Now that the Legal Affairs Committee has withdrawn its amendments, both committees agree that the motion for a resolution should be worded as proposed by the Committee on Economic and Monetary Affairs and that the problem should be discussed in connection with the amendment to the outline directive and not in connection with this directive. In conclusion, the Committee on Economic and Monetary Affairs voted against the introduction of an arbitration procedure, but felt that this question too should be discussed in connection with the outline directive and not with this directive. I understand that the Legal Affairs Committee agrees with this.

That is why the Committee on Economic and Monetary Affairs has today submitted its report unchanged, and on its behalf I recommend that you adopt the motion for a resolution unchanged.

President. — I note that no one else wishes to speak. The motion for a resolution, as such, will be put to the vote at the end of this sitting.

The debate is closed.

20. *Education allowance for local staff*

President. — The next item is the report by Mr Cointat (Doc. 94/78), on behalf of the Committee on Budgets, on the education allowance for local staff.

I note that no one wishes to speak. The motion for a resolution, as such, will be put to the vote at the end of this sitting.

21. *Regulations on fisheries*

President. — The next item is the report by Mr Klinker (Doc. 114/78), on behalf of the Committee on Agriculture, on

the proposals from the Commission to the Council for

- I. a regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels registered in the Faroe Islands;
- II. a regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway;
- III. a regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Sweden;
- IV. a regulation allocating catch-quotas between Member States for vessels fishing in Faroese waters; and
- V. a regulation allocating certain catch-quotas between Member States for vessels fishing in the Norwegian exclusive economic zone.

I note that no one wishes to speak. The motion for a resolution, as such, will be put to the vote at the end of this sitting.

22. *Regulation on inshore fishing*

President. — The next item is the report without debate (Doc. 115/78), by Mr Andersen, on behalf of the Committee on Agriculture, on

the proposal from the Commission to the Council for a regulation on a common interim measure for restructuring the inshore-fishing industry.

I note that no one wishes to speak. The motion for a resolution, as such will be put to the vote at the end of this sitting.

23. *Votes*

President. — The item is the vote on those motions for resolutions on which the debate is closed.

Ladies and gentlemen, since most of the votes present no difficulties and are therefore unlikely to take much time, I propose that they be taken before the vote by

President

roll-call, by which time the attendance in the Chamber may have improved.

Are there any objections?

That is agreed.

We begin with the Lemp report (Doc. 59/78): *Agricultural structures*.

I put the indents and recitals (a), (b) and (c) of the preamble to the vote.

The indents and recitals (a), (b) and (c) of the preamble are adopted.

On recital (d), I have Amendment No 3, tabled by Mr Herbert on behalf of the Group of European Progressive Democrats and replacing this recital with the following text:

- (d) Whereas, while regional and social policy cannot be a substitute for agricultural structural policy as each has its separate field of action, social and regional-policy measures should play a greater role in providing in rural areas the social and economic framework within which the policy for agricultural structures can operate successfully;

What is the rapporteur's view?

Mr Hughes, deputy rapporteur. — On Mr Lemp's behalf, I ask the House to reject this amendment.

President. — I put Amendment No 3 to the vote.

Amendment No 3 is rejected.

It put recital (d) to the vote.

Recital (d) is adopted.

It put paragraphs 1 to 4 to the vote.

Paragraphs 1 to 4 are adopted.

On paragraph 5, I have Amendment No 4, tabled by Mr Herbert on behalf of the Group of European Progressive Democrats and rewording this paragraph as follows:

5. Takes the view that consideration must be given to the desirability of extending the scope of Article 14 (2) of Directive 72/159 so that the maximum levels of aid are extended to all those farmers who are likely to remain permanently dependent on farming as a source of income, so that this aid is not merely regarded as . . . (rest unchanged);

What is the rapporteur's view?

Mr Hughes, deputy rapporteur. — The advice of the rapporteur is that it is wholly impracticable. We are

also so advised by the representatives of the Commission, and are therefore against.

President. — I put Amendment No 4 to the vote.

Amendment No 4 is rejected.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

Paragraphs 6 to 16 to the vote.

Paragraphs 6 to 16 are adopted.

After paragraph 16, I have Amendment No 5, tabled by Mr Herbert on behalf of the Group of European Progressive Democrats and inserting the following new paragraph:

- 16 a. Believes that it is necessary to ease the conditions under which Community participation in the financing of Directive 72/160 can take place so that those Member States which have the more serious difficulties in allocating resources for structural schemes may be enabled to implement more effective farmer-retirement measures;

What is the rapporteur's view?

Mr Hughes, deputy rapporteur. — I am advised to treat this with sympathy and therefore to give it approval.

President. — I put Amendment No 5 to the vote.

Amendment No 5 is adopted.

I put paragraphs 17 to 23 to the vote.

Paragraphs 17 to 23 are adopted.

After paragraph 23, I have Amendment No 6, tabled by Mr Herbert on behalf of the Group of European Progressive Democrats and inserting the following new paragraph:

- 23 a. Believes that many aspects of regional disparities must be recognized, such as the special problem of regions where growth in the economy is very largely dependent on agricultural development and where particular agricultural activities may have a significant role to play in such development;

What is the rapporteur's view?

Mr Hughes, deputy rapporteur. — We advise rejection, because there are special measures already involved for the drainage in Western Ireland in another paragraph.

President. — I put Amendment No 6 to the vote.

Amendment No 6 is adopted.

President

On paragraph 24, I have Amendment No 7, tabled by Mr Herbert on behalf of the Group of European Progressive Democrats and inserting the words 'and the Western region of Ireland' after the words 'Mediterranean area'.

What is the rapporteur's view?

Mr Hughes, deputy rapporteur. — We were unable to understand fully what was the meaning of this amendment, and therefore would ask for it to be rejected.

President. — I put Amendment No 7 to the vote.

Amendment No 7 is rejected.

I put paragraph 24 to the vote.

Paragraph 24 is adopted.

After paragraph 24, I have two amendments tabled by Mr Lemp and inserting two new paragraphs:

— Amendment No 1:

24a. Asks the Commission to investigate thoroughly the reasons for which the common structural policy is still being implemented with difficulty and in some regions even with considerable delay, and to indicate the areas in which progress has been made and those in which measures still have to be taken;

— Amendment No 2:

24 b. Asks the Commission to indicate, in the light of this study, appropriate measures to render this policy more effective and more closely related to the economic and social situation in the regions concerned;

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

I put to the vote the motion for a resolution as a whole, as modified by the various amendments which have been adopted.

The resolution is adopted.¹

We proceed to the Ryan report (Doc. 78/78): *Regulation on the financing of certain interventions by the EAGGF*.

We must first consider the amendments to the proposal for a regulation.

On Article 3 (3), I have two amendments:

— Amendment No 1, tabled by Mr Yeats on behalf of the Group of European Progressive Democrats and replacing '1.5' by '1.75';

— Amendment No 2, tabled by Mr McDonald and Mr L'Estrange and replacing '1.5' by '1.9'.

What is the rapporteur's view?

Mr Ryan, rapporteur. — Mr President, I will take Amendment No 1 first, which calls for replacing 1.5 by 1.75. Such a proposal was made by myself as rapporteur, but was not acceptable to the Committee on Budgets, so it may be taken that the Committee on Budgets would be even less inclined to accept Amendment No 2. Therefore the Committee on Budgets does not recommend their acceptance. I, as rapporteur, because I am not in agreement, will be abstaining in the vote.

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

Amendment No 2 is rejected.

I put Amendment No 1 to the vote.

Amendment No 1 is rejected.

On Article 4 (3), I have Amendment No 3, tabled by Mr McDonald and Mr L'Estrange and replacing '0.85' by '0.90'.

What is the rapporteur's view?

Mr Ryan, rapporteur. — Mr President, if adopted, this would result in a saving, but the Budget Committee declined to accept this from your rapporteur, and therefore the advice of the Budget Committee is to reject it. I shall be abstaining in the vote.

President. — I put Amendment No 3 to the vote.

Amendment No 3 is rejected.

We now proceed to the motion for a resolution.

I put the preamble and paragraphs 1 to 5 to the vote.

The preamble and paragraphs 1 to 5 are adopted.

After paragraph 5, I have Amendment No 4, tabled by Mr McDonald and Mr L'Estrange and adding the following new paragraph:

5 a. Urges that rapid progress be made to full Community financing of all intervention operations, and asks the Commission to put forward proposals for the amendment of existing regulations to enable the capital required for intervention operations to be provided by the Community.

What is the rapporteur's view?

¹ OJ C 131 of 5. 6. 1978.

Mr Ryan, rapporteur. — Mr President, the Budget Committee did not have an opportunity to consider this amendment. It does not touch upon the essentials of the matter, which have been put before us by the Commission for consideration, so it is a matter for the House to decide whether to accept or reject it.

President. — I put Amendment No 4 to the vote.

Amendment No 4 is rejected.

I put paragraphs 6 to 18 to the vote.

Paragraphs 6 to 18 are adopted.

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

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the Shaw report (Doc. 91/78): *Financial Regulation for the EAGGF.*

The resolution is adopted

I put to the vote the motion for a resolution contained in the Caro report (Doc. 93/78): *Regulation on the Financial protocols with Greece, Turkey and Portugal.*

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the Sandri report (Doc. 574/77): *Third European Community — Latin America Interparliamentary Conference.*

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the Willi Müller report (Doc. 85/78): *Cost of pollution control to industry.*

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the Verhaegen report (Doc. 96/78): *Activities in the veterinary, animal-husbandry and animal-protection spheres.*

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the Hughes report (Doc. 100/78): *Regulation on milk and milk products*

The resolution is adopted.¹

We proceed to the Nyborg report (Doc. 61/78): *Directives on the design and insulation of certain types of equipment.*

I put the first three indents of the preamble to the vote.

The first three indents of the preamble are adopted.

On the fourth indent, I have Amendment No 1, tabled by Mr Normanton on behalf of the European Conservative Group and substituting the following text:

— having regard to the report of the Committee on Economic and Monetary Affairs and the opinion of the Committee on the Environment, Public Health and Consumer Protection on proposals I and II (Doc. 61/78),

What is the rapporteur's view?

Mr Nyborg, rapporteur. — (DK) Mr President, the third sub-paragraph of Rule 29 (1) of the Rules of Procedure states that 'Parliament shall not deliberate on any amendment unless it is moved during the debate'. No one moved any amendment during the debate.

President. — Indeed, since this amendment has not been moved during the debate it cannot be put to the vote. The same applies to Amendment No 2, also tabled by Mr Normanton.

I put the fourth indent to the vote.

The fourth indent is adopted.

I put paragraphs 1 and 2 to the vote.

Paragraphs 1 and 2 are adopted.

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

The resolution is adopted.¹

We proceed to the Nyborg report (Doc. 29/78): *Directive on hot-water meters.*

Amendments Nos 1 and 2, tabled by Mr Broeks on behalf of the Legal Affairs Committee, have been withdrawn. I therefore put the motion for a resolution as a whole to the vote.

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the Cointat report (Doc. 94/78): *Educational allowance for local staff.*

¹ OJ C 131 of 5. 6. 1978.

President

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the Klinker report (Doc. 114/78): *Regulations on fisheries*.

The resolution is adopted.¹

We proceed to the Andersen report (Doc. 115/78): *Regulation on inshore fishing*.

I call Mr Vouel.

Mr Vouel, Member of the Commission. — (F) The Commission is unable to agree to the amendment of Article 6 proposed by the rapporteur.

President. — I take due note of Mr Vouel's statement.

I put the motion for a resolution to the vote.

The resolution is adopted.¹

I put to the vote the motion for a resolution tabled by Mr Damseaux (Doc. 117/78): *Crisis in the inland-waterways sector*.

The resolution is rejected.

We now proceed to the motion for a resolution tabled by Mr Fellermaier and Mr Prescott (Doc. 109/78): *Human rights in Argentina*, for which a request for a vote by roll-call was made during yesterday's sitting pursuant to Rule 35 (3) of the Rules of Procedure. Since the quorum of 67 Members was not reached yesterday and since the request for a vote by roll-call has not been withdrawn, the vote has been placed on the agenda of today's sitting pursuant to Rule 33 (5) of the Rules of Procedure.

I call Mr Prescott on a point of order.

Mr Prescott. — Mr President, on the confirmation of the roll-call which it was agreed yesterday should be carried over to the next sitting, which is this morning, you said, if I heard you correctly, 'provided that request is not withdrawn'. Has that request been confirmed or withdrawn? What is the position from the Chair at the moment?

President. — The request was expressly maintained by one of its authors at the beginning of this sitting.

I call Mr Mitchell.

Mr Mitchell. — Mr President, you did say that this was maintained by one of the groups. I assume from

that, that the other two groups who asked for the roll-call vote yesterday are not in fact asking for a roll-call vote this morning. May I ask whether all three groups are asking for the roll-call vote or just the one? Then I want to come back.

President. — I call Mr Klepsch.

Mr Klepsch. — (D) Mr Scott-Hopkins spoke on behalf of all those asking for the vote. We do not want to go through the same procedure yet again.

President. — Ladies and gentlemen, since the quorum of 67 Members obviously does not exist at the moment, I propose that we abandon the formality of a roll-call.

I call Mr Klepsch.

Mr Klepsch. — (D) Mr President, I will be brief; as I understand it, the vote will again be deferred to the next part-session, whether we have the roll-call vote now or not. That is why I entirely share the President's view that it would be unfortunate to have the roll-call vote on a Friday. We shall have it on the Monday of the next part session.

President. — I call Mr Prescott.

Mr Prescott. — Mr President, I took it as quite right that you had to make a proposal to us, but I would make a point to you on the procedure yesterday: there were more than enough people for a roll-call vote who participated in the vote five minutes before the roll-call vote. So assumptions should not necessarily be made because we have had fewer people here in previous votes than one would need for the roll-call. I think we should be consistent in the application of the principle, and confirm that the roll-call should take place as requested by the other groups.

(Applause from various quarters)

President. — Before proceeding to the vote by roll-call, I can give the floor to those desirous of offering an explanation of vote.

I call Mr Damseaux.

Mr Damseaux. — (I) Mr President, I shall vote against the motion, on account of the third paragraph, which concerns a hearing on the non-observance of human rights in Argentina alone. I feel that if the Community has an interest in concerning itself with the violation of human rights in non-Community countries, we must not limit ourselves to Argentina, but must range from the Soviet Union to Chile, Cambodia to South Africa and Czechoslovakia to Argentina.

(Applause from various quarters)

¹ OJ C 131 of 5. 6. 1978.

President. — I call Mr Jung.

Mr Jung. — (D) Mr President, colleagues, since this hearing was planned by the Political Affairs Committee with support from all the political groups, and I gather — I am not a member of the Political Affairs Committee myself — it was carefully planned, both as regards limiting the subject-matter and the choice of participants, so that there is no risk of a kind of Russell Tribunal emerging as has been implied today, I feel that Parliament should follow the decision of the Political Affairs Committee. I entirely endorse what Mr Damsiaux said just now, that it is not merely a question of the violation of human rights in South America; the Political Affairs Committee must call for every violation of human rights, in whatever part of the world it may occur, to be condemned by the European Parliament, and for us to take the appropriate measures; but, ladies and gentlemen, you will be doing the Political Affairs Committee a disservice if you now vote against this hearing.

I should like to make a compromise proposal for a sub-committee on human rights which would consider the problem of human rights throughout the world. The Political Affairs Committee could discuss the matter again next week, on 18 or 19 May, and widen the terms of reference. Parliament would then, I think, be entirely in agreement. The first round of discussions could then, if you wish, deal with the violation of human rights in South America or, as in this specific case, in Argentina.

I personally am in favour of such a hearing, but I repeat that it seems sensible to me to extend the problem of the violation of human rights to cover all parts of the world.

President. — I call Mr Klepsch.

Mr Klepsch. — (D) Mr President, since this matter is still under discussion, I have just one comment which I forgot to add to my remarks before the vote yesterday. I should like to place on record, on behalf of my group, the fact that the group's vice-chairman, Mr Notenboom, has been quite unjustly attacked in this House because he asked for the decision to be postponed in the Bureau, on the grounds that my group had not yet taken a decision on the matter. As I have already explained elsewhere, if not in connection with this question, Mr Notenboom quite correctly represented the facts, for my group only took a decision on the matter this week. I should like to make that quite clear in view of the repeated allegation that all the political groups had approved the resolution. It is true that members from all the political groups on the Political Affairs Committee did approve it; but the two members of my political group who voted in favour were thus, along with two other colleagues, in conflict with the majority of their group. In my view, it would have been better to settle the matter beforehand between the political groups. You are aware of our position, which I stated

yesterday, which is that, because of the principle of the hearing itself, and not the question of the violation of human rights in Argentina, we cannot vote in favour.

President. — I call Mr Hoffmann.

Mr Hoffmann. — (D) Mr President, like my group, I shall vote in favour of the motion, but I should like to say that the tactics we have been witnessing here are, in my personal opinion, a political scandal — and that for one very simple reason. Who can say that the tactics adopted yesterday, when a roll-call vote is requested, because there is an adequate number of Members in the House, but the appropriate quorum cannot be obtained after Members have already left the Chamber, will not be used on every occasion in future, with the result that we have to have another adjournment each time? That is not political behaviour at all: in my view, it is nothing more than opting out of a political debate. I think it is disgraceful for us to be trying to delay or even block political decisions in this way, and I should like to make my disapproval absolutely clear on this point.

(Applause from various quarters)

President. — I call Mr Prescott.

Mr Prescott. — Mr President, as the man who was appointed rapporteur by the Political Affairs Committee on a resolution that came from a member of the Christian-Democratic Group who was also the chairman of the Political Affairs Committee — that is why I became the rapporteur on Argentina — I have always made clear to this House and to the committee that we should investigate all breaches of human rights wherever they may be. The resolution was about Argentina, but Argentina is not my responsibility solely, and indeed, to add to the point, it was a member of my own group who put one down about Russia and the Olympic Games. It did not come from anywhere else. So we are quite prepared to accept the challenge in all areas where human rights are at issue.

(Applause from the left)

I am somewhat concerned about the system of voting and the rulings that have been given so far. I want to make something clear, in view of what Mr Klepsch has said, because it clarifies the position a little from yesterday. As rapporteur, I spoke to Mr Klepsch and Mr Rippon, and leaders of political groups, who assured me they were not against this hearing. Now it is quite right that they can be overruled by their political groups. All leaders face that possibility, but it must be clear that as rapporteur I sought to see that there was unanimous agreement; agreement was indeed reached, and that is why the Political Affairs Committee was unanimous in its decision, apart from the three abstentions. We therefore are faced in this House with the problem that not only was the Political Affairs Committee unanimous about this matter, but also Parliament itself voted yesterday in support of all paragraphs of the motion.

Prescott

Where it failed was in the roll-call: in the vote on the separate paragraphs of the resolution 72 Members took part, which is greater than the 67 required for the quorum, but a number of abstentions, many of them led by Mrs Kellett-Bowman, of the European Conservative Group, in the end meant that you did not reach the quorum. I mean, one can look at the figures. So, Mr President, you have just said to us that if this vote fails again today, it then goes to the next sitting, which is presumably the first day of the next part-session in Strasbourg.

Now I accept that that is my interpretation of the rule. The one difficulty that the House faces under these circumstances is that this hearing was scheduled to take place in between, for the one good reason, approved unanimously by the Political Affairs Committee, that 100 European citizens are missing in Argentina, and we wanted to investigate the evidence of Amnesty International before the World Cup. That is the reason, and I want to inform this House, with all good political will to my colleagues of this House, that we will still carry out the obligation of what Parliament has voted for but has not confirmed by the roll-call vote, because it has been voted for by the Political Affairs Committee and it has been voted by the Parliament. It has failed to get the required amount of votes for a decision by roll-call, and until the House can make up its mind, which, as you say, Mr President, if we fail this time will be on the first day of the next part-session, we hope that the groups and those who voted for us will support us in having the hearing, with representatives of all groups taking part, on the same day May 25. We invite all of them to have the hearing, not to pass a resolution but to report back to the Political Affairs Committee. That is an obligation I have as the rapporteur. It is an obligation I have in the matter of human rights. It is an obligation I have to German, Italian, British and European citizens who are missing in Argentina, whose government refuses to give us any information as to their whereabouts.

(Applause from the left)

President. — I call Mr Seefeld.

Mr Seefeld. — *(D)* I should also like to give an explanation of vote. Colleagues, I shall be voting in favour, because I think there is a need for the violation of human rights in Argentina to be revealed for everyone to see while the World Cup is being held in that country, and I should particularly like the attention of the citizens of the Community to be drawn to the matter by means of a hearing such as is proposed. I am voting in favour because a majority of this House has already done so and a final decision has only been prevented by manipulation. I am voting in favour because I do not want to see the European Parliament go on making a fool of itself by disowning its own Political Affairs Committee and its Christian-Democratic chairman, and trying to ignore a decision which has been unanimously adopted by that committee. Finally, I would add that I deeply regret the fact that there are colleagues who left the Chamber yesterday, and have done so again today,

in order to deprive Parliament of a quorum. This gives citizens of our Community a bad impression of the way Parliament works.

(Applause from the left)

President. — I call Mr Klepsch.

Mr Klepsch. — *(D)* I should just like to make a brief comment with regard to reprimanding the House when a majority cannot be found in a roll-call vote. There is a good tradition for that, and one carefully nurtured by your own group. It is one of the reasons why we have had to adjourn the Yeats report, which had been adopted almost unanimously, four times in this House and why we no longer even include it on the agenda, because we know that the majority of the House is against it and will therefore not take part in the vote.

I must say, I am amazed that Members are now being reprimanded for making use of the rights which are theirs under the Rules of Procedure. It is quite obvious that there is no majority in this House for the newly-introduced institution of the hearing. It is not in the least a question of the violation of human rights in Argentina; on that the whole House is unanimous. It expressed its unanimity again just now in the vote on the Sandri report. This silly talk about manipulation is something the Socialist Group would do well to take to heart itself, for after all, who was it who was calling for the roll-call vote yesterday? — Your group, which is continually performing tricks of this sort . . .

(Commotion)

. . .and then blames us for doing the same thing.

So I should like to make this point quite clear. Our Rules of Procedure clearly stipulate that a decision can only be taken in a roll-call vote when at least one-third of the Members are present. To say that these provisions in the Rules of Procedure are manipulation is a criticism of the entire House, which adopted them in this form. This silly talk which I am again hearing from Mr Hoffmann . . .

Mr Seefeld. — *(D)* This is outrageous!

Mr Klepsch. — *(D)* . . . What about your reaction yesterday? Let me read you what you said about us from the full report of proceedings, and as for using the word 'outrageous', Mr Seefeld, I can only say that you are complaining about things that you yourselves do all the time. We are beginning to get the feeling that the Socialist Group thinks there are special rules for it which do not apply to the other Members of this House. You just ask your group chairman, who is not here today. Yesterday he criticized absent Members for neglecting their duties; and yesterday I reminded him that we would ask him where he was today. I can't see him. This matter is so important, as he himself said, that everyone must be here. Well, he isn't. I would just

Klepsch

point this out and also the fact that we should have a quorum if all the members of your group were here. You see what great importance your group attaches to this matter. I just want to make that point.

(Loud interruptions)

Anyway, I do not wish to pursue this unpleasant subject. I should just like to note that Rule 33 of the Rules of Procedure plainly says that a decision shall be valid only if one-third of the Members of Parliament is present at a roll-call vote. Those are the facts.

President. — I call Mr Jung.

Mr Jung. — *(D)* Mr President, from what has been said, it is clear that no one here disputes the fact that the violation of human rights in Argentina and in other parts of the world is condemned by the whole House. But I should now like to appeal to you, Mr Klepsch, and to your colleagues in the European Conservative Group, to withdraw your request for a roll-call vote. The Political Affairs Committee could then have a further discussion next week, and we could reach a decision again at Parliament's next part-session.

What is the position, ladies and gentlemen? The Socialist Group has stated that it will hold this hearing anyway, and so the public will receive the impression that only the Socialist Group is in favour of such a hearing. I have already said that I too am in favour of it; and you declared yourself in favour of a hearing with rather wider terms of reference. Otherwise the Socialist Group, although it is by no means fully present now — and here I agree with Mr Klepsch, as it could obtain a quorum on its own — would create the impression that it alone supports human rights, and that surely cannot be the case. So I think that this request should be withdrawn, because the implications of what has happened here will cast a shadow on Parliament, and as a Member of this Parliament I will not stand for that. I therefore urge you to reconsider, so that no one can blame us for undermining such an important matter as this by using tactics which are quite unworthy of Parliament.

President. — I call Mr Prescott.

Mr Prescott. — Mr President, I do understand the point being made by Mr Jung. He is saying clearly what we believe — that there are other groups in this House identified with the matter of this hearing as with other hearings. But I have to say to him that, if in fact we take the roll-call as has been called for on this resolution, then the matter will be deferred and the issue remains alive until the next part-session of this House, when it will be determined one way or another, on the basis of a quorum. If it were now to be sent to the Political Affairs Committee, with a request that we re-table the resolution, then it would serve very little purpose, because the Political Affairs Committee would then say, we are sorry, but this matter is being dealt with by the As-

sembly; there is the decision of the Bureau, which is not determined by the Assembly; we in the committee are no longer competent to deal with the matter, which has been taken over by the Assembly. Clearly, that would be a proper argument for it to give. As to holding a hearing on the date that we are committed to and on which this Parliament publicly said it was going to hold it, as the committee also did, we have no choice but to proceed with this, and I hope that is understood.

By having the roll-call, which is being called for by the other Members in this case, we keep the issue alive and we can still appeal to comrades and colleagues of this House to attend our hearing, which will enable us to report to the Political Affairs Committee on the consequences of what Amnesty International have to tell us about the observance of human rights in the Argentine and the missing European citizens in the Argentine. Incidentally, the Argentine Government has refused to reply to governments asking for information: surely this Parliament should publicly ask that information of the Argentine, if they refuse to answer the French President and other governments of the Community?

So, Mr President, we must maintain our position at the moment. I understand the difficulties of a few participating in it, but we did not embark upon this procedure on our own initiative, and therefore we suggest that we continue with the process. I refuse to withdraw the resolution.

President. — We shall now draw by lot the name of the Member with whom the roll-call is to begin.

The roll-call will begin with Mr Fellermaier.

(Laughter)

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. Since only 28 Members — that is, less than one-third of the current Members of Parliament — took part, the vote is not valid and will have to be taken again at our next part-session, in June.

I call Mr Prescott.

Mr Prescott. — On a point of information, Mr President, can you tell me whether, when you record a roll-call vote, those votes get recorded at the back of the report of today's proceedings? Secondly, can you confirm now that this Parliament has in two votes agreed, as it has done this morning with similar amounts of votes, to hold a hearing but failed technically because it has not been able to get sufficient votes in a roll-call vote? „

President. — Mr Prescott, the names of those voting will not be included in the minutes of this sitting, since the vote was not valid.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Purely for information, not following what has just been said at all, perhaps you can clear up the situation. The House has taken no decision over whether there should be a hearing or not, or on the full resolution put forward by Mr Fellermaier and Mr Prescott, as rapporteur. That is obviously the situation. The Bureau of the Parliament refused the finance for a hearing. You were there, sir, you were present. Therefore how can a hearing be held unless it is of no expense to the Parliament? The Political Affairs Committee, as I understand it, is perfectly entitled to hold a hearing as long as there is no expense to the Parliament at all. Perfectly entitled. Out of courtesy in the past they have always asked the Bureau, and in extreme cases the House, but they are perfectly entitled to hold a hearing as long as no expense is incurred in so doing. Is this the situation and is that what in point of fact will happen if they decide to go ahead?

President. — You are aware that this problem has already been raised in the Bureau. Moreover, it is covered by the 'pink pages' under the heading 'Rule 40: Presence of experts at committee meetings', which states:

Any request that experts be invited to meetings of committees or subcommittees shall, if the invitation entails expenditure by the secretariat, be submitted to the Bureau, whatever the number of persons invited.

The need for an authorization by the Bureau wherever costs are entailed was confirmed by a decision of the enlarged Bureau of 22 September 1971.

Although I have no authority to give a definitive reply on the matter, I personally, however, am of the opinion that if a hearing entailed no expenditure for the Parliament the committee could proceed with it; but that is an interpretation which requires confirmation, since the decisions I have quoted are explicit on the very point concerning hearings which entail costs.

I call Mr Prescott.

Mr Prescott. — I welcome that intervention by Mr Scott-Hopkins and your ruling, Mr President, which now means, of course, that the House has in fact voted in favour of a resolution but has not confirmed it, so the resolution is not passed by the House. That is the point I think we can all agree on. So the Political Affairs Committee, when it meets next week, can assess the position, as always, but it is not able to hold a hearing that may entail expenditure until the enlarged Bureau has ratified such expenditure, which, in fact, means that the Political Affairs Committee itself could not make a

decision that entailed expenditure in order to continue with the hearing but it could have such a hearing if this did not entail expenditure.

Now the point of expenditure will have to be determined by the vote on the first day of the next part-session, which will be in Strasbourg. So it is a possibility for the Political Affairs Committee, if it so wishes, to consider holding such a hearing if it does not entail any expense, and indeed one may well pursue this particular point of view within the committee. But, of course, I point out to Mr Scott-Hopkins that there are a number of ways in which these problems can be met, and the Political Affairs Committee could reach its unanimously desired and declared objective of holding a hearing, and I thank him for this intervention. We will give further thought to this, Mr President.

President. — Mr Prescott, I must point out that, as a rule, no votes are taken on a Monday. I will therefore submit to the Bureau the question whether this vote should take place on the first day of the part-session or on the first day on which votes are normally taken.

I call Mr Prescott.

Mr Prescott. — I thank you, Mr President, I am sure on behalf of all of us for the way you have handled the Chair. I personally do not feel that it has been too evident previously. It has been an extremely sensitive matter, and this morning has gone far better than one though it might have gone, primarily, I think, owing to your very fair handling of the Chair, and we would like to put that on record.

(Applause)

President. — I thank you for your kind remarks.

24. *Dates for the next part-session*

President. — There are no more items on the agenda. I thank the representatives of both Council and Commission for their contributions to our debates.

The enlarged Bureau proposes that our next sittings be held at Strasbourg during the week from 12 to 16 June 1978.

Are there any objections?

That is agreed.

25. *Approval of the minutes*

President. — Rule 17(2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the

President

minutes of proceedings for this sitting, which were written during the debates.

Are there any comments?

The minutes of proceedings are approved.

Adjournment of the session

President. — I declare the session of the European Parliament adjourned.

The sitting is closed.

(The sitting was closed at 12.20 p.m.)