Report
drawn up on behalf of the Committee on Economic and Monetary Affairs

on the Commission's communication to the Council (Doc. 294/75) on
Community policy for data processing /

Rapporteur: Mr. P. B. COUSTE
By letter of 3 October 1975 the President of the Council of the European Communities requested the European Parliament to deliver an opinion on the communication from the Commission of the European Communities to the Council on Community policy for data-processing.

The European Parliament referred this communication to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Budgets and the Legal Affairs Committee for their opinions.

On 21 October 1975 the Committee on Economic and Monetary Affairs appointed Mr Cousté rapporteur.

It considered this communication at its meetings of 4 and 5 November, 17 and 18 November and 4 and 5 December 1975.

At its meeting of 4 and 5 December 1975, the committee unanimously adopted the motion for a resolution and the explanatory statement.

Present: Mr Leenhardt, chairman; Sir Brandon Rhys Williams and Mr Notenboom, vice-chairmen; Mr Cousté, rapporteur; Lord Ardwick, Mr Artzinger, Mr Dykes, Lord Gordon Walker, Mr Lange, Mr Martens (deputizing for Mr Starke), Mr K. Nielsen (deputizing for Mr Albertsen), Mr Santer (deputizing for Mr De Keersmaeker) and Mr Scholten.

The opinions of the Committee on Budgets and the Legal Affairs Committee are attached.
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The Committee on Economic and Monetary Affairs hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on Community policy for data-processing

The European Parliament,
- having regard to the Resolution of the Council of 15 July 1974 on a Community policy on data-processing,
- having regard to the communication of the Commission of the European Communities to the Council (COM (75) 467),
- having been consulted by the Council (Doc. 294/75),
- having regard to the report of the Committee on Economic and Monetary Affairs and the opinions of the Committee on Budgets and the Legal Affairs Committee (Doc. 462/75),

1. Approves the Commission's proposals for priority actions;

2. Notes with satisfaction that, compared with the first, this second set of proposals is more substantial in content and reflects a more systematic overall approach and also that it contains the beginnings of a medium term programme which should be implemented as from January 1977;

3. Regrets that in the matter of contracts, little progress has so far been made in opening up the public sector, which is essential if the objective of a viable and competitive European-based data-processing industry is to be achieved, and greatly hopes that the Commission will speed up its work in this field;

4. Recalls that, as regards project management and implementation, the European Parliament has already expressed the view that, because of the weakness of the European data-processing industry, cooperation agreements should be concluded with non-dominant companies outside Europe;

5. Greatly regrets the slowness of the decision-making process and urges the Council to adopt these proposals as soon as possible, together with the first proposals for priority actions;

1 OJ No. C 86, 20.7.1974, p. 1
6. Notes that the Commission entered appropriations in the preliminary draft budget for 1976 for these actions which the Council, however, failed to include in its draft for 1976, thus making a supplementary budget necessary if the Commission's proposal is approved;

- Again recalls its views on budget honesty and clarity and on supplementary budgets, and therefore calls on the Commission and the Council to frame their proposals on political objectives in such a way as to permit compliance with the budgetary policy objectives laid down by Parliament;

7. Finally, points out that the objective of a viable and competitive European-based data-processing industry towards 1980 cannot be achieved without extensive resources and firm political intentions.

8. Instructs the President to forward this resolution and the report of its committee to the Council and the Commission of the European Communities.
EXPLANATORY STATEMENT

1. In its report on the first set of proposals for priority actions, the Committee on Economic and Monetary Affairs regretted that they were too restrictive. The proposals, it said, would have little impact on the central objective of the Council's Resolution of 15 July 1974 - 'a fully viable and competitive European-based industry by the early 1980's'.

The latest communication from the Commission provides a first outline of a broader strategic approach, to be incorporated in a pluriannual programme which the Commission intends to submit to the Council in April 1976 for implementation in January 1977.

This medium-term programme calls for a second set of priority measures due to start in 1976. These measures are listed in an annex to the communication under consideration.

2. Whereas the first proposals were mainly concerned with specific applications (air traffic control, agricultural imports and exports and financial management, legal documentation and Community law, etc.), the second are primarily designed to solve general problems of data-processing techniques. In comparison with the initial series, this second set of proposals reflects a more systematic overall approach which meets with our approval.

3. The Commission notes the increasing importance of distributed computing on the data-processing market: the market for intelligent devices remote from the central processor and close to the user, such as pocket computers, mini-computers, terminals, peripherals and communications equipment is growing rapidly, and the relationship between telecommunications and computing is becoming increasingly close. These developments offer a whole range of new opportunities, but also involve certain risks.

The greatest danger is that the leading company on the traditional data-processing market, by developing a comprehensive range of software systems for distributed computing, may also establish a dominant position in the telecommunications field; this company would thus impose its own standards and structures on distributed computing and determine the entire environment for producers in the various sectors of the market. However, these new developments afford an opportunity for increased diversification within the industry, providing many more independent producers, specialized in one sector of the market, with an active role. This trend towards diversification in data-processing applications could therefore favour the development of a European data-processing industry, providing that companies can operate in a congenial European environment. It is in this context that the Commission proposes a
new strategy for industrial policy in the field of data-processing, in which the main objective is the creation of a favourable environment for distributed computing.

4. In the first part of its communication, the Commission proposes a number of measures designed to maintain an open and competitive market which affords the user a choice between a variety of suppliers. In the second part, the Commission outlines the policy it intends to follow as regards support for the data-processing industry.

5. To maintain an open and competitive market, the Commission proposes actions in five key areas:

(a) standards policy;
(b) software portability;
(c) collaboration between national centres for research and support to users;
(d) public procurement policy;
(e) applications projects.

(a) Standards policy

6. The lack of a standards policy will inevitably result in the monopoly by a single company of all sectors of the market. A standards policy which enables users to combine one type of equipment or software with other equipment, without incurring major costs, would help to ensure that a large number of producers were competing on the market. Otherwise, there is a serious risk that the dominant company will develop a structured network of software systems with a complete range of hardware to meet virtually all customer requirements. Without a standards policy, the combining of hardware and software from different suppliers would involve a number of problems and high conversion costs. Anxious to avoid the conversion problems entailed in purchasing from different suppliers, the customer would prefer to narrow his choice and purchase all his hardware from the dominant company.

7. For these reasons, the Commission set up in February 1975 a Working Group on Standards, composed of national experts. This Working Group has already established two areas of priority activity and set up appropriate working parties on:

- Cobol language;
- network standards.
8. The first priority action proposed by the Commission, the development of a new language, falls within a third field, that of real time data-processing systems. This action is designed to 'create a new European-based national standard language, to be in use from 1980 onwards, bringing significant advantages to both Community users and industry.'

No standards exist at present for real time languages. Languages have been developed at international level which, in the long term, does not serve the best interests of either the manufacturer or the user. A language at European level would mean lower costs for the user. The existence of different real-time languages is a technical barrier to trade. The development of a common real-time programming language (LTPL) would provide European suppliers with new outlets by opening up the European market and improving their position on the world market, and provide users with a wider choice.

9. The Committee on Economic and Monetary Affairs supports this objective, for stronger European action is more likely to produce quick results in the field of software than in any other.

As regards a standards policy, we would recall the observation made in the first report of the Committee on Economic and Monetary Affairs (Doc. 153/74): 'it should be borne in mind that whereas standardization may be justified when it protects the user, it should not be allowed to stand in the way of innovation, which also benefits the user. This field should therefore be approached with the greatest care after consulting all available qualified opinions.'

For these reasons, the Commission set up the Working Group on Standards (WGS), composed of national experts. The Community must on no account be allowed to saddle itself with standards which appear excellent simply because they are Community standards, but which are potentially dangerous because they are not those of the rest of the world.

(b) Software portability.

10. The second concrete proposal for priority action concerns software compatibility. Given the low compatibility of applications, the majority of users prefer not to change manufacturers and opt for the leading world manufacturer who guarantees a measure of hardware homogeneity. European-based manufacturers, taken separately, are not in a position to market such a wide range of applications and are forced to specialize in one sector of the market. It would be much easier to market European products if applications software were compatible, for it would then be simpler to combine equipment supplied by one company with applications developed by other software and hardware suppliers. This would remove yet another technical barrier.
11. The projects proposed with a view to improving software portability are as follows:

- design and development of portable compilers;
- design and development of a software writing language;
- design and development of subsystems for data bank management and transaction processing;
- design and development of conversion tools;
- study on the development of a basic nucleus of an operating system for minicomputers.

12. These projects will be assigned to industrial consortia. The Commission notes that: 'The Funds which will be allocated to industrial consortia for the manufacture of portable products resulting from the scheme will be reimbursed to the Community, if the products prove commercially successful, under a scheme to be defined within the general framework of the management of the projects and of the medium-term programme.'

This is in line with the observations made by the Committee on Economic and Monetary Affairs when it considered the initial proposals for priority actions.

(c) Collaboration between national centres for research and support to users

13. The Commission proposes three study projects on this subject concerning:

- data security and confidentiality;
- improvement of programming techniques;
- evaluation and implementation of data base systems.

14. Measures to ensure data security and confidentiality are now being taken by most Member States. There is an urgent need for Community action in this field, if we are to prevent conflicting national measures in this area. Once national measures are laid down, the task of harmonization within the Community will become much more difficult, if not impossible. This consideration has prompted Parliament on several occasions to request the Commission to draw up a directive on this matter as soon as possible. The study proposed by the Commission would provide technical assistance in solving these problems. The Commission will draw up a proposal for harmonization after the open debate within the committee of the European Parliament, as provided for in Lord Mansfield's resolution. In view of the factors mentioned above, we should nonetheless insist that the work of harmonization be speeded up. A proposal, or even a working document, by the Commission on these problems would also facilitate the hearings organized by the European Parliament.
(d) **Procurement policy**

15. Up to now, little progress has been made in opening up the public procurement market. It is, however, vitally necessary to open up public markets in order to attain the objective of a viable and competitive European-based data-processing industry. According to the Commission, the lack of progress in this field is due to a labour shortage. It has recently engaged an expert on the subject. The Committee on Economic and Monetary Affairs urges the Commission to speed up its work in this field and make practical proposals as soon as possible. Moreover, the Council's Resolution of 15 July 1974 provides for priority actions in the field of public procurement.

(e) **Applications**

16. The Commission feels that an overall budget should be established within which the main criteria for the selection of studies and developments to be granted Community aid would be as follows:

- they should generate a product of widespread interest to users and, in the future, wide marketability by industry;
- they should concern applications which will have a decisive impact on standards and other developments;
- they should concern applications where there will be a manifest saving on public expenditure.

17. The Commission envisages proposing a new financial mechanism to promote joint applications studies and developments of Community interest. The intention behind this proposal is to speed up the decision-making process. The Committee on Economic and Monetary Affairs supports this suggestion by the Commission. The slowness of the present decision-making process makes it impossible to attain the central objective, a viable and competitive European-based data-processing industry by 1980. The initial proposals for priority actions are still before the Council, although the Commission had intended these projects to start on 1 July 1975.

18. In the meantime, the Commission proposes two new projects. The first concerns the specification and development of a computer-based information storage and retrieval system. The quantity of information generated in all fields is increasing very rapidly, and such information is needed for decision making. The value of stored information depends, sometimes critically, on the ease and speed with which it can be sifted, selected and retrieved. It is with these considerations in mind that the Commission proposes this project.
The second project concerns an experimental development in the field of highspeed data transmission. This is a project which the Commission considers important within the wider context of network policy.

19. In the second part of the communication, the Commission explains its views on support for industry. In the field of central processors, the Commission considers that national Governments should only grant further aids in order to promote promising associations between European manufacturers. It feels, however, that there is an urgent need for Community aid in certain other sectors. Its proposals include:

(a) Support for financing sales

20. The widespread practice of leasing in the data-processing industry has meant that further growth in sales cannot be financed out of profits but, on the contrary, requires further outside capital. IBM derives such an advantage from this situation that, in order to ensure equal conditions of competition, aid to European industry should be envisaged in this field. The Commission will propose the creation of a financial mechanism. This proposal answers the request made to the Commission by the European Parliament in its first resolution on the data-processing industry, to submit proposals on aid for leasing and on setting up a European leasing company.

(b) Peripherals and terminals

21. An effort by Europe to achieve rationalization agreements and the joint development of certain products would strengthen European industry and place it in a better position to negotiate wider transatlantic rationalization agreements. The Commission intends to invite manufacturers of distributed processors and central processors to meet together in order to discuss, systematically, rationalization agreements involving purchase of each other's peripherals, joint production or joint purchase from other suppliers.

The Commission also proposes a financial incentive to these agreements in the form of development contracts for new products jointly manufactured by companies based in at least three Community countries.

(c) Components

22. The Commission proposes to define and implement, together with industry, the most appropriate means of facilitating joint procurement of standard components by interested firms throughout the industry. From 1977 it will provide a financial incentive in the form of contracts for the joint development of advanced components by European transnational consortia possessing customers in at least three different Community countries. The objective here is the creation of a 'second source' for supplies and the promotion of an advanced capability within the European component industry.
In 1976 the Commission proposes to conduct a study on the best means of building up European facilities for the development of components with special regard to the needs of the data-processing and telecommunications industries. These facilities should bring together the capabilities of leading European component manufacturers in order to provide a new design and development service in the application of components to new data-processing systems.

23. On the subject of the cooperation agreements and development contracts proposed by the Commission for both peripherals and terminals and components, we must repeat certain observations contained in the first report of the Committee on Economic and Monetary Affairs on data-processing (Doc. 153/74).

The Commission does not give sufficient emphasis to the need to encourage cooperation agreements with non-dominant firms outside Europe. It proposes a financial incentive in the form of development contracts, but the Council has still not approved the Commission's proposal of 18 July 1972 on development contracts. Furthermore, the Committee on Economic and Monetary Affairs is not particularly in favour of these contracts; experience shows that their effect should not be overestimated, for there is a danger that companies will have to concur with the wishes of the government or governments from which they receive aid and will lose their independence. This aid should on no account be considered a form of permanent protection.

Financing

24. The budgetary and general financial aspects are dealt with in detail in the attached opinion of the Committee on Budgets drafted by Lord Bessborough.

25. The Council has not yet come to a decision on the first five priority actions, probably because of the costs involved. Item 3211 in the preliminary draft budget for 1976, to which the Commission allocated an appropriation of 4,000,000 u.a. for these five priority actions, was converted by the Council in the draft budget to a token entry and an appropriation of only 1,500,000 u.a. was entered in Chapter 98. Your rapporteur tabled an amendment raising the appropriation made by the Council to 4,000,000 u.a., the amount originally proposed by the Commission. This amendment was not adopted either.

In view of this, the Commission's new proposals included a token entry No. 3212: 'New projects in the data-processing sector' in the preliminary draft budget for 1976. In the letter amending the preliminary draft budget for 1976 the Commission gave further details of these actions and proposed an appropriation of 5,454,000 u.a., which corresponds to the total cost of these new projects in 1976.

The Council also cancelled these appropriations in its draft budget. This
means that a supplementary budget will be required for carrying out these projects in 1976.

The European Parliament has repeatedly condemned supplementary budgets.

The Council has so far shown no readiness to provide the appropriations necessary for the actions proposed by the Commission. If a European-based computer industry is to become a reality, even greater funds will be required. Compared with the amounts already spent by certain Member States in this sector, the cost of the priority actions proposed by the Commission is modest. However, in the absence of firm political intentions, the Member States will be unwilling to grant the considerable funds necessary for attaining the objective of a viable and competitive European-based data-processing industry, even though this is a sector of vital importance to the economic development of Europe.
OPINION OF THE COMMITTEE ON BUDGETS

Draftsman: Lord BESSBOROUGH

On 21 October 1975 the Committee on Budgets appointed Lord Bessborough draftsman.

It considered the draft opinion at its meetings of 19 November 1975 and 4 December 1975 and adopted it unanimously at the latter meeting.

There were present: Mr Lange, chairman; Mr Aigner, vice-chairman; Lord Bessborough, draftsman; Mr Artzinger, Lord Bruce of Donington, Mr De Keersmaeker (deputizing for Mr Galli), Mr Gerlach, Mr Krall (deputizing for Mr Bangemann), Mr Lautenschlager, Mr Meintz (deputizing for Miss Flesch), Mr Schmidt, Mr Shaw and Mr Yeats.
Basic information on the proposal in respect of which an opinion from the Committee on Budgets is sought.

1. Four broad areas are involved in this proposal from the Commission (COM(75) 467 final):
   i) Long-term procedural language (LTPL), covering four years; this development would enable users to get access to a wider range of products and reduce their costs through mutual exchange of programmes implying collaboration at the Community level;
   ii) Portability of software, covering three years; the aim is to reduce the cost to users of data-processing equipment of converting software programmes when they change from one kind of equipment to another; this would help to increase competition;
   iii) Support for use of data processing, covering four years; the objectives are to support the users and, at the same time, to promote collaboration between researchers at Community level. This entails the launching of studies into (a) data security and confidentiality, (b) programming techniques, and (c) evaluation and implementation of data base systems.
   iv) Applications of (a) high speed data communications, and (b) information storage and retrieval, covering five years.

2. Assuming that all had gone ahead as the Commission had envisaged, the following annual costs to the general budget of the European Communities would, in its estimation, have arisen:

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>5,454,000</td>
</tr>
<tr>
<td>1977</td>
<td>9,686,100</td>
</tr>
<tr>
<td>1978</td>
<td>6,299,500</td>
</tr>
<tr>
<td>1979</td>
<td>1,596,500</td>
</tr>
<tr>
<td>1980</td>
<td>30,000</td>
</tr>
<tr>
<td>Total</td>
<td>23,066,100</td>
</tr>
</tbody>
</table>

3. The peaking of expenditure in 1977 and the subsequent tapering off is attributable to the fact that the expenditure on the schemes in question will crest in 1977. However, when the proposals to be put forward in April 1976, and which are referred to at paragraph 6 below, come
into play, new expenditure figures for the later years will have to be conside-rated.

Position regarding 1976 budget estimates for the activities in question

4. In the preliminary draft budget 1976, the Commission showed a "token entry" under item 3212 "New projects in the data-processing sector" with a note in the remarks column stating that "This item relates to expenditure on other projects in the data processing sector, for which a proposal will be presented later by the Commission".

However, in the amending letter on the 1976 budget, the Commission gave details of the new actions in the data processing sector and provided the following breakdown:

<table>
<thead>
<tr>
<th>Project LTPL</th>
<th>2,433,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portability of software</td>
<td>823,000</td>
</tr>
<tr>
<td>Support for use of data processing</td>
<td>1,064,000</td>
</tr>
<tr>
<td>Information storage and retrieval</td>
<td>133,500</td>
</tr>
<tr>
<td>High speed data communications</td>
<td>500,000</td>
</tr>
<tr>
<td>Studies</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,454,000</strong></td>
</tr>
</tbody>
</table>

In this way, the Commission endeavoured to avoid giving rise to a supplementary budget, by providing 1976 estimates as early as was possible in the circumstances.

5. The Council struck out these amounts in the draft budget stating that it "did not consider necessary the creation of the budgetary item requested in its amending letter for new projects in data-processing since the examination of these Commission proposals had not yet reached a sufficiently advanced stage".

6. A highly relevant statement, from the viewpoint of the Committee on Budgets, is that made at page 19 of the Commission's proposal (COM(75) 467 final:

'In April 1976, the Commission will present budget proposals for the years 1977 to 1980 defining the allocation of funds between the different classes of user (applications, components, peripherals, portable software and so on) and specifying the most appropriate financial mechanisms in such a way that the different activities can start in January 1977.'

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1 the Commission's.
Furthermore, the whole question of industrial structures gives rise to particularly complex problems and some clarification would be required before specific proposals could be endorsed. Nevertheless, closer consideration of the matters at issue is warranted because of the importance of the issues at stake.

7. The financial data contained in Annex 5 of the Commission's proposal shows a striking improvement on the material supplied with many proposals in the past. Instead of being given totals which could not be verified by reference to their constituents, the Annex includes useful breakdowns of the elements which constitute the items that build up to the totals shown at paragraph 2 above. Pay figures are calculated on the basis of 1975 pay rates; computer time, travel costs and so on are set out in detail. These improvements in the presentation of the financial aspects are commended by the Committee on Budgets.

8. In the part of the Annex dealing with software portability it is stated that 'with regard to product policy, the Commission will collaborate closely with the Consultative Committee and the interested parties in working out a suitable policy to cover the recovery of public investments in the event of a product proving commercially successful'. This would appear to be a most important element in any scheme entailing the use of Community funds; it is to be hoped that, in the fuller budgetary proposals referred to at paragraph 6 above, the Commission will describe, in greater detail, the procedure they plan to follow to ensure that there is the maximum reasonable recovery of funds invested in activities that prove to be successful.

The following Economic and Social Committee documents contained particularly pertinent material regarding the data processing sector:
Mr de FERRANTI's report (CES 969/74 fin.) of 9 April 1975, the opinion of 24 April 1975 (CES 485/75), and the further opinion of 29 May 1975 (CES 616/75).

From the budgetary viewpoint, the comment made at 2.1 and 2.2 of CES 485/75 constitutes a particularly relevant criterion. This is to the effect that Community policy in regard to the encouragement of manufacturers in their efforts to achieve minimum viable size 'should be oriented towards companies which can be expected to become competitive and technically competent without support in a reasonable period'.

Paragraph 4 of the same opinion provides a useful summary of the policy the Community should endeavour to follow in this domain.

Conclusion

9. In giving its interim opinion on this proposal, the Committee on Budgets welcomed the fact that the information of a budgetary nature provided by the Commission in relation to this proposal was fuller and more in
line with the requirement of Parliament than had been the case too often in the past. The Committee on Budgets
- gave a broadly favourable reaction to the financial data furnished,
- indicated that it will return to the question again when a further document referred to at Paragraph 6 above comes to hand providing new financial data,
- noted the non-compulsory nature of the expenditure concerned,
- deplored the fact that the Council yet again deleted a relatively modest provision pertaining to new initiatives that could be of major significance to the Community,
- recalled that Parliament is opposed, in principle, to supplementary budgets other than those which are unavoidable and unforeseeable; and
- noted that putting the Commission's proposals into effect in 1976 would involve a supplementary budget.
Dear Mr Chairman,

At its meeting of 3 November 1975 the Legal Affairs Committee\(^1\) considered the communication from the Commission of the European Communities to the Council on Community policy for data-processing (Annex 3 and Annex to Annex 3, paragraph 2).

In its resolution of 15 July 1974\(^2\), the Council stated that it intended 'to give a Community orientation to policies for encouraging and promoting data-processing' and welcomed the Commission's intention to submit priority proposals concerning, among other things, a limited number of joint projects of European interest in the field of data-processing applications.

In March 1975 the Commission submitted its first proposals in this field (see Doc. 21/75). One of these projects concerned legal document retrieval systems and access to Community legislation, and on 26 May 1975 the Legal Affairs Committee adopted an opinion for your committee on this matter (see the opinion drafted by Mr Lautenschlager annexed to the report by Mr Cousté (Doc. 199/75).

On 22 September 1975 the Commission submitted a communication to the Council on Community policy for data-processing, on which the Council decided to consult the European Parliament on 3 October 1975 (Doc. 294/75). By letter of 4 October 1975 the Legal Affairs Committee was asked for its opinion for your committee.

This communication from the Commission provides a first outline of a broader strategic approach, which could be adopted in a pluriannual programme to start in January 1977, and which offers an immediate framework for a

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\(^1\) Present: Mr Jozeau-Marigné, first vice-chairman and acting chairman; Mr Adams (deputizing for Mr Bayerl), Mr Bangeman, Mr Broeksz, Mr Calewaert, Mr Hansen (deputizing for Mr Lautenschlager), Mr Martens (deputizing for Mr Santer), Mr Memmel, Mr Pianta, Mr Rivierez, Mr Schwörer and Mr Vernaschi.

second series of priority actions, to start in 1976, which the Commission considers urgent. The Legal Affairs Committee notes with satisfaction that the Commission took account of the fact that the European Parliament, in its opinion on the first five priority actions¹, had strongly emphasized the need for a wider overall strategy.

The introduction of a policy of encouraging and promoting data-processing should stimulate growth in its applications; this raises the problem of data security and confidentiality and of protecting the public in respect of the use of data-processing methods² (see Doc. 294/75, Annex 3 and Annex to Annex 3, paragraph 2). This is therefore one of the subjects chosen by the Commission as part of a global approach at Community level.

Most Member States already have provisions to safeguard data security and confidentiality and the Commission hopes to be able to consider these problems from a common point of view from the beginning. Its proposed study will concentrate on providing basic information on the technical, legal, social and political aspects of the problem.

The Legal Affairs Committee wishes to stress yet again that it attaches great importance to this problem, since it is one which directly affects the basic freedom of the individual and must therefore be resolved in the most comprehensive terms possible if a solution acceptable to all concerned is to be found, in spite of all the technical difficulties that can be expected. There should be a minimum of delay in reaching a solution for the same reason. The Legal Affairs Committee welcomes the Council's choice of this problem as a matter for priority action and, with this in mind, adopted the proposal unanimously at its meeting of 3 November 1975.

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(sgd.) Léon JOZEAU-MARIGNE'

¹ See above.

² It should be noted that Parliament considered this problem on the basis of the interim report drawn up by Lord Mansfield (Doc. 487/74) on behalf of the Legal Affairs Committee. The resolution which it adopted was published in OJ No. C 60, 13.3.1975, p. 48.