

Annex

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English edition

## Debates of the European Parliament

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1976-1977 Session  
Report of Proceedings  
from 11 to 15 October 1976  
Europe House, Strasbourg

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## NOTE TO READER

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

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## SITTING OF MONDAY 11 OCTOBER 1976

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IN THE CHAIR : Mr G. SPÉNALE

*President*

*The sitting was opened at 7.05 p.m.*

**President.** — The sitting is open.

1. *Resumption of the session*

**President.** — I declare resumed the session of the European Parliament adjourned on 17 September 1976.

2. *Appointment and verification of credentials of a member of the European Parliament*

**President.** — The House of Commons and the House of Lords of the United Kingdom have informed me of the appointment of Mr Russel Johnston as a Member of the European Parliament to replace Lord Gladwyn, with effect from 1 October 1976.

At its meeting of 2 September 1976 the enlarged Bureau confirmed that this appointment complied

with the provisions of the Treaties. It therefore proposes that it be ratified by the House.

Are there any objections?

The appointment is ratified.

I should like to take this opportunity of thanking Lord Gladwyn very warmly for his services to this House.

It gives me great pleasure to welcome Mr Johnston on behalf of the House and to congratulate him on his return.

*(Applause)*

3. *Membership of committees*

**President.** — I have received a request from the Liberal and Allies Group that Mr Johnston be appointed as a member of the Committee on Regional Policy, Regional Planning and Transport to replace Mr Caillavet.

Are there any objections?

The appointment is ratified.

#### 4. Documents received

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

(a) from the Council of the European Communities, requests for opinions on Commission proposals for :

- a regulation on the opening, allocation and administration of a Community tariff quota for frozen beef and veal falling within subheading No 02.02 A II a) 2 of the Common Customs Tariff (1977) (Doc. 302/76);

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

- a regulation totally or partially suspending Common Customs Tariff duties on certain products, falling within Chapters 1 to 24 of the Common Customs Tariff, originating in Malta (1977) (Doc. 303/76);

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

- a regulation on the opening of a tariff quota of new potatoes falling within subheading 07.01 A II of the Common Customs Tariff for the first half-year of 1977, originating in Cyprus (Doc. 304/76);

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

- a regulation opening, allocating and providing for the administration of a Community tariff quota for apricot pulp falling within subheading ex 20.06 B II c) 1) aa) of the Common Customs Tariff, originating in Israel (1977) (Doc. 305/76);

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

- a regulation temporarily suspending the autonomous Common Customs Tariff duty on mushrooms, excluding cultivated mushrooms, dried, dehydrated or evaporated for the processing industry of subheading ex 07.04 B (Doc. 308/76);

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

- a regulation opening, allocating and providing for the administration of Community tariff quotas for port wines, falling within subheading ex 22.05 of the Common Customs Tariff, originating in Portugal (1977),
- a regulation opening, allocating and providing for the administration of a Community tariff quota for Madeira wines, falling within subheading ex 22.05 of the Common Customs Tariff, originating in Portugal (1977),

- a regulation opening, allocating and providing for the administration of a Community tariff quota for Setubal muscatel wines, falling within subheading ex 22.05 of the Common Customs Tariff, originating in Portugal (1977) (Doc. 309/76);

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

- a regulation amending the Community tariff quotas opened for 1976 by Regulations (EEC) Nos 2956/75, 2957/75 and 2958/75 for the importation of certain wines originating in Portugal (Doc. 310/76);

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

- a regulation opening, allocating and providing for the administration of a Community tariff quota for Jerez wines falling within subheading ex 22.05 of the Common Customs Tariff, originating in Spain (1977),
- a regulation opening, allocating and providing for the administration of a Community tariff quota for Malaga wines falling within subheading ex 22.05 of the Common Customs Tariff, originating in Spain (1977),
- a regulation opening, allocating and providing for the administration of a Community tariff quota for wines from Jumilla, Priorato, Rioja and Valdepeñas falling within subheading ex 22.05 of the Common Customs Tariff, originating in Spain (1977) (Doc. 311/76);

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

- I. a regulation opening, allocating and providing for the administration of a Community tariff quota for dried figs falling within subheading ex 08.03 B of the Common Customs Tariff, originating in Spain (1977);
- II. a regulation opening, allocating and providing for the administration of a Community tariff quota for dried grapes falling within subheading ex 08.04 B I of the Common Customs Tariff, originating in Spain (1977) (Doc. 312/76);

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

- regulations opening, allocating and providing for the administration of a Community tariff quota for apricot pulp falling within subheading ex 20.06 B II c) 1) aa) of the Common Customs Tariff, originating in Tunisia and Morocco (1977) (Doc. 313/76);

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



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- a regulation amending Regulations (EEC) Nos 1160/76 and 816/70 laying down additional provisions for the common organization of the market in wine, Regulation (EEC) No 950/68 on the Common Customs Tariff (Doc. 322/76);

This document has been referred to the Committee on Agriculture:

- I. a regulation amending Regulation (EEC) No 601/76 laying down special measures, in particular for the determination of the offers of olive oil on the world market,
- II. a regulation amending Regulation (EEC) No 602/76 laying down special measures, in particular for the determination of the offers of olive oil on the Greek market (Doc. 324/76);

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

- a directive on the sixth modification of the Council Directive of 27 June 1967 on the approximation of the laws of Member States relating to the classification, packing and labelling of dangerous substances (Doc. 339/76);

This document has been referred to the Committee on the Environment, Public Health and Consumer Protection.

- amendments to the proposal for a regulation amending Regulation (EEC) No 1696/71 on the common organization of the market in hops (Doc. 340/76);

This document has been referred to the Committee on Agriculture, as the committee responsible and to the Committee on Budgets for its opinion.

- a decision concluding a Convention for the protection of the Rhine against chemical pollution and an additional agreement to the Agreement signed in Berne on 29 April 1963 concerning the International Commission for the protection of the Rhine against pollution (Doc. 341/76);

This document has been referred to the Committee on the Environment, Public Health and Consumer Protection, as the committee responsible and to the Legal Affairs Committee for its opinion.

- a regulation on the advance implementation of certain provisions of the ACP/EEC Convention of Lomé relating to trade in respect of certain States that have signed agreements of accession to the Convention (Doc. 345/76);

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

- a directive relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning liability for defective products (Doc. 351/76);

This document has been referred to the Legal Affairs Committee, 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.

(b) from the Council of the European Communities, requests for opinions on the following documents:

- the cooperation agreements between the European Economic Community and
  - the Republic of Tunisia
  - the Democratic and Popular Republic of Algeria
  - the Kingdom of Morocco (Doc. 306/76);

This document has been referred to the Committee on External Economic Relations as the committee responsible, and to the Political Affairs Committee, the Committee on Budgets, the Committee on Agriculture, the Committee on Social Affairs, Employment and Education and the Committee on Development and Cooperation for their opinions.

- the communication from the Commission of the European Communities to the Council for the 3-year indicative food aid programme, 1977—1979 (Doc. 323/76);

This document has been referred to the Committee on Development and Cooperation, as the committee responsible, and to the Committee on Agriculture and the Committee on Budgets for their opinions.

(c) from the Commission of the European Communities:

- a draft recommendation on vocational preparation for young people who are unemployed or threatened by unemployment. (Doc. 298/76);

This document has been referred to the Committee on Social Affairs, Employment and Education.

- the recommendation of the Commission concerning the progressive extension of social protection to categories of persons not covered by existing schemes or inadequately protected (Doc. 300/76);

This document has been referred to the Committee on Social Affairs, Employment and Education.

(d) from the committees, the following reports:

- Report by Mr Schwabe on behalf of the Committee on Regional Policy, Regional Planning and Transport on the proposal from the Commission of the European Communities to the Council (Doc. 324/75/VII) for a regulation on a system of reference tariffs for the carriage of goods by road between Member States (Doc. 299/76);
- Report by Mr Laban on behalf of the Committee on Agriculture on the report of the Commission of the European Communities on the application of the Council Directives on agricultural reform of 17 April 1972 (Doc. 301/76);
- Report by Mr Pintat on behalf of the Committee on External Economic Relations on the cooperation agreements concluded between the European Economic Community and

## President

- the Republic of Tunisia
  - the People's Democratic Republic of Algeria
  - the Kingdom of Morocco (Doc. 307/76);
  - Report by Mr Ellis on behalf of the Committee on Energy and Research on the first periodical report of the Commission of the European Communities to the Council on the Community action programme for the rational use of energy and draft recommendations of the Council (Doc. 314/76);
  - Report by Mr Dykes on behalf of the Committee on Economic and Monetary Affairs on the proposal from the Commission of the European Communities to the Council (Doc. 62/76) for a directive concerning indirect taxes on transactions in securities (Doc. 315/76);
  - Report by Mr Artzinger on behalf of the Committee on Economic and Monetary Affairs on the proposal from the Commission of the European Communities to the Council (Doc. 241/76) for a directive (Sixth Directive) amending Directive 72/464/EEC on taxes other than turnover taxes which affect the consumption of manufactured tobacco (Doc. 316/76);
  - Report by Mr Jozeau-Marigné on behalf of the Legal Affairs Committee on the report of the Commission of the European Communities on the protection of fundamental rights (Doc. 321/76);
  - Report by Sir Geoffrey de Freitas on behalf of the Committee on Development and Cooperation on the proposals from the Commission of the European Communities to the Council (Doc. 242/76) for regulations on the application of generalized tariff preferences in 1977 (Doc. 332/76);
  - Report by Mr Deschamps on behalf of the Committee on Development and Cooperation on the preparation, progress and outcome of the Fourth United Nations Conference on Trade and Development (Doc. 333/76);
  - Report by Mr Premoli on behalf of the Committee on the Environment, Public Health and Consumer Protection on the proposal from the Commission of the European Communities to the Council (Doc. 118/76) for a decision on the conclusion of a convention on the protection of the Mediterranean Sea against pollution and a protocol on the prevention of pollution of the Mediterranean Sea by dumping from ships and aircraft (Doc. 334/76);
  - Second report by Mr Martens on behalf of the Committee on the Rules of Procedure and Petitions on the amendment of Chapters I to X, XIII and XIV of the Rules of Procedure of the European Parliament (Doc. 335/76);
  - Second report by Mr Hamilton on behalf of the Committee on the Rules of Procedure and Petitions on the amendment of Chapter XI of the Rules of Procedure of the European Parliament (Doc. 336/76);
  - Report by Mr Osborn, on behalf of the Committee on Regional Policy, Regional Planning and Transport on the proposal from the Commission of the European Communities to the Council (Doc. 271/76), for a decision concerning the entry into force of the Agreement on the international carriage of perishable foodstuffs and on the special equipment to be used for such carriage (ATP) (Doc. 338/76);
  - Report by Mr De Koning, on behalf of the Committee on Agriculture on the action programme (1977-80) for the progressive achievement of balance in the milk market (Doc. 247/76) and on the proposal from the Commission of the European Communities to the Council (Doc. 248/76) for a regulation introducing a premium system for the non-marketing of milk and milk products and for the conversion of dairy cow herds (Doc. 343/76);
  - Report by Mr Hughes on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council (Doc. 117/76) for a regulation amending Regulation (EEC) No 1059/69 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products (Doc. 346/76);
  - Report by Mr Frehsee, on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council (Doc. 267/76) for a regulation on the storage of products bought in by an intervention agency (Doc. 347/76);
  - Report by Mr Giraud on behalf of the Committee on Regional Policy, Regional Planning and Transport on the proposal from the Commission of the European Communities, to the Council (Doc. 324/75/I) for a directive on the establishment of common rules for certain types of carriage of goods by road between Member States (Doc. 348/76);
  - Report by Mr Mursch, on behalf of the Committee on Regional Policy, Regional Planning and Transport on the proposal from the Commission of the European Communities to the Council (Doc. 324/75/V) for a regulation concerning the fixing of rates for international goods transport by rail (Doc. 349/76);
  - Report by Mr Mitterdorfer, on behalf of the Committee on Regional Policy, Regional Planning and Transport on the proposal from the Commission of the European Communities to the Council for a regulation concerning a system for monitoring the markets for the carriage of goods by rail, road and inland waterway between Member States (Doc. 350/76);
- (e) motion for a resolution tabled by Mr Noè on behalf of the Committee on Regional Policy, Regional Planning and Transport, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure on the Friuli earthquake (Doc. 342/76);
- (f) the following oral questions:
- oral questions with debate by Mr Schwörer on behalf of the Committee on Economic and Monetary Affairs to the Council and Commission of the European Communities on simplification of customs procedures, customs legislation and institutional methods for dealing with customs matters (Doc. 317/76);
  - oral questions with debate by Mrs Kruchow on behalf of the Liberal and Allies Group to the Council and Commission of the European Communities on the México World Conference to mark International Women's Year (Doc. 319/76);

**President**

- oral questions with debate by Mrs Kruchow on behalf of the Liberal and Allies Group to the Commission of the European Communities on women in the Europe of the Nine (Doc. 320/76);
- oral question with debate by Mr Prescott, Mr Schmidt, Mr Laban, Mr Espersen and Mr Concas on behalf of the Socialist Group to the Council of the European Communities on the extension of Community Member States' fishing zones to 200 miles (Doc. 325/76);
- oral question with debate by Mr Prescott, Mr Schmidt, Mr Laban, Mr Espersen and Mr Concas on behalf of the Socialist Group to the Commission of the European Communities on the extension of Community Member States' fishing zones to 200 miles and fishing agreements with non-Community nations (Doc. 326/76);
- oral question with debate by Mr Cointat on behalf of the Group of European Progressive Democrats to the Commission of the European Communities on aid granted to agriculture and seabed prospecting (Doc. 327/76);
- oral question with debate by Mr Osborn on behalf of the European Conservative Group, Mr Noè on behalf of the Christian-Democratic Group and Mr Berkhouwer on behalf of the Liberal and Allies Group to the Commission of the European Communities on the promotion of efficient air traffic control (Doc. 328/76);
- oral question with debate by Mr Jahn, Mr Artzinger, Mr Burgbacher, Mr van der Gun, Mr Klepsch, Mr Springorum and Mr Vandewiele on behalf of the Christian-Democratic Group and the Committee on the Environment, Public Health and Consumer Protection to the Commission of the European Communities on the draft Commission directive on bird protection (Doc. 329/76);
- oral question with debate by Mr Lagorce, Mr Carpentier, Mr Guerlin, Mr Evans and Mr Hansen to the Commission of the European Communities on Community water policy (Doc. 330/76);
- oral question with debate by Lord Bessborough on behalf of the European Conservative Group to the Commission of the European Communities on the needs for basic raw materials (Doc. 331/76);

(g) oral question without debate by Mr Schwörer on behalf of the Committee on Economic and Monetary Affairs to the Commission of the European Communities on third party motor vehicle insurance in the Community (Doc. 318/76);

(h) For Question Time on Wednesday, 13 October 1976, pursuant to Rule 47 A of the Rules of Procedure,

questions by:

Mr Hamilton, Mr Caro, Sir Geoffrey de Freitas, Mr Berkhouwer, Mr Fletcher, Mrs Dunwoody, Mr Gibbons, Mr Yeats, Mr Herbert, Mr Spicer, Lord Bessborough, Mr Lenihan, Mr Bordu, Mr Shaw, Mr Cousté, Mr Molloy, Mr Evans, Mr Dalyell, Mr Noè, Mr Osborn, Mr Normanton,

Mr Albers, Mr Kofoed, Mr McDonald, Mr Creed, Mr Baas, Mr Kavanagh, Lord Castle, Miss Flesch and Mr Nyborg (Doc. 344/76);

(i) from the EEC-Turkey Association Council, the eleventh annual report (1 January-31 December 1975) on the activities of the Association (Doc. 337/76);

This document has been referred to the delegation to the Joint Parliamentary Committee of the EEC-Turkey Association.

(j) from the Council of the European Communities, an official letter forwarding the draft general budget of the European Communities for 1977 (Doc. 291/76/Add.).

### 5. Text of Treaties forwarded by the Council

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

- agreement in the form of an exchange of letters between the European Economic Community and the People's Democratic Republic of Algeria on the importation into the Community of tomato concentrates originating in Algeria;
- agreement in the form of an exchange of letters relating to Article 21 of the Cooperation Agreement and Article 14 of the Interim Agreement between the European Economic Community and the People's Democratic Republic of Algeria and concerning the import into the Community of bran and sharps originating in Algeria;
- agreement in the form of an exchange of letters relating to Article 19 of the Cooperation Agreement and Article 12 of the Interim Agreement between the European Economic Community and the People's Democratic Republic of Algeria and concerning the import into the Community of fruit salads originating in Algeria.

Copies of these documents will be deposited in Parliaments archives.

### 6. Limit on speaking-time

**President.** — I propose that speaking-time be allocated as follows: —

#### Reports:

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

#### Oral questions

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

Are there any objections?

That is agreed.

### 7. Authorization of reports

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

— *Committee on Social Affairs, Employment and Education:*

a report on the Fourth Annual Report on the activities of the European Social Fund (financial year 1975); asked for its opinion: Committee on Budgets;

— *Committee on External Economic Relations:*

a report on the present state of the EEC/Greece Association.

### 8. Order of business

**President.** — The next item is the order of business. At its meeting of 30 September 1976 the enlarged Bureau prepared the draft agenda which has been distributed. I have since been asked to approve a number of alterations:

— Mr Lagorce has asked for his oral question with debate on Community water policy to be postponed until the November part-session;

— Lord Bessborough has asked for his oral question with debate on basic raw materials to be postponed until the November part-session.

I call Mr Broeks.

**Mr Broeks.** — (NL) Mr President, the second item on tomorrow's agenda was the joint debate on the reports by Mr Hamilton, Mr Martens and Mr Berkhouwer. As you know, a number of Members of this Parliament, more specifically the representatives from the British House of Commons, cannot be present tomorrow. We should therefore appreciate it if the debate on these three reports, which are not in any case extremely urgent, could be postponed to a later part-session. We are sure that most of the members from the British House of Commons will want to be here for this debate. In addition we have not yet been able to deal with Mr Berkhouwer's report at our group meeting. We should like more time to discuss it.

**President.** — I call Mr McDonald.

**Mr McDonald.** — On behalf of the Committee on Regional Policy, Regional Planning and Transport, I would ask that the report by Mr Osborn on the proposal for a Council decision concerning the entry into force of the agreement on the international carriage of perishable foodstuffs and on the special equipment to be used for such carriage—Document 271/76 — be included on the agenda for this week. We ask for this report to be so included urgently because the agreement comes into force on 21 November, and the Committee on Regional Policy, Regional Planning

and Transport adopted the report at its meeting on the last day of September and the first day of October.

We ask that the report be put to the vote without debate, so as to facilitate the agenda proceedings.

**President.** — Mr Broeks has asked for the reports by Mr Hamilton, Mr Martens, and Mr Berkhouwer to be postponed until the November part-session.

Are there any objections?

**Mr de la Malène.** — (F) Yes, that is a very unsatisfactory arrangement.

**President.** — I call Lord St Oswald.

**Lord St. Oswald.** — If we are discussing the agenda for the week as a whole, I know that a telex was sent by my group chairman, Sir Peter Kirk, protesting about the meeting of the Committee on Agriculture after the hours of normal business on Wednesday. I want verbally to repeat his protest. I understand that it was read out to the meeting of the enlarged Bureau this evening but was overridden. It was the enlarged Bureau that established this extremely sensible tradition that there should not be meetings of committees during plenary session, and I want verbally to repeat Sir Peter Kirk's protest. It is a shame that the very body that established such a sensible and thoughtful precedent should be the one to breach it.

**President.** — I call Mr Durieux.

**Mr Durieux.** — (F) Mr Jozeau-Marigné's report on the report by the Commission of the European Communities on the protection of fundamental rights was mentioned at the enlarged Bureau meeting. The rapporteur, Mr Jozeau-Marigné wanted the report placed on Thursday's agenda.

I would ask once again for this debate to be postponed to Thursday.

**President.** I can Mr A. Bertrand.

**Mr A. Bertrand.** — (NL) Mr President, I wish to take this opportunity to draw attention to the ridiculous procedure that is now evolving in this Parliament as regards the fixing of the agenda. There is first a meeting with the Secretary-General and the Director-General at which a provisional agenda is drawn up. This provisional agenda is then discussed for two or three hours by the Bureau of Parliament. At the end of this discussion the bureau adopts the draft agenda — and then what happens? At the plenary sitting the draft agenda is changed and turned completely upside down by the very same people who have drawn it up in the Bureau. What we are seeing here does not happen in any other Parliament; the result is total confusion. Unless all the political groups that are

**A. Bertrand**

represented in the Bureau and have agreed to this agenda insist that it remains unchanged in the plenary sitting, we shall find ourselves in complete chaos.

*(Applause)*

**President.** I call Mr Laban.

**Mr Laban.** — *(NL)* Mr President, as acting chairman of the Committee on Agriculture I should first like to reply to Lord St Oswald's comments.

I entirely agree with his point that in general no committee meetings should be held during plenary sittings. Unfortunately however, as a result of discussions with the Committee on Budgets in The Hague, I had to send a telegram because the Committee on Agriculture has so far only worked out a provisional opinion and will be delivering its final opinion at its meeting in Brussels on 21 and 22 October at which the amendments will be adopted. In discussion with the Committee on Budgets, however, it was found that this would be too late. We will, in fact, have to deliver our final opinion before 20 October.

Obviously, however, the Committee on Agriculture can decide next Wednesday evening whether or not to hold a meeting.

Secondly I should like to ask Parliament to postpone the debate on the report on agricultural reform (Doc. 301/76) to the November part-session, for the following reasons. First, the rapporteur is unfortunately unable to be present. An important consideration also is that on that day we shall be discussing not only the general tariff preferences for 1977 but also the Commission's proposals for the rationalization of the dairy products market. Presumably this debate will take some time. There is also the report on the reform of structural policy.

We feel that the latter subject is very important and an adequate amount of time should be set aside for it. It is also important that the report on the reform of the dairy sector should not be too closely tied in with the question of structural measures.

For these reasons I am asking Parliament to agree to the report on the reform of agricultural structural policies being dealt with at the November part-session, particularly as the debate on this report is less urgent than the debate on Mr de Koning's report on milk production.

**President.** — I call Mr Yeats.

**Mr Yeats.** — I wish to say a word on the three reports on the Rules which are tabled on the agenda to be considered tomorrow morning.

I agree with Mr Bertrand that it is a futile process to make a unanimous decision one way in the Bureau and then come to Parliament and ask for a totally different decision to be made. Indeed, I am not at all sure that Mr Hamilton would be in favour of the appli-

cation that has been made. Throughout the proceedings in the Committee on the Rules of Procedure and Petitions, Mr Hamilton, as the chairman of the Committee, was most insistent that these reports should be considered during this part-session, as they had already been delayed in the summer.

However, in order to give our colleagues the possibility to come here in time for the debate, I suggest that we might consider taking the three reports at the end rather than at the beginning of tomorrow's agenda. In this way, the reports would be considered on the same day with a slight change in the order of items on the agenda, but it would give our British friends the opportunity to arrive in time.

I therefore propose that the three reports be placed at the end of tomorrow's agenda.

**President.** — I call Mr Lange.

**Mr Lange.** — *(F)* Mr President, I hope you will bear with me if I return once more to the question of the Committee on Agriculture's meeting. In fact, the Committee on Budgets has asked the Committee on Agriculture to consider this question — since after all the agricultural budget is the biggest part of the budget — so that on 19/20 October, in other words the dates on which the Committee on Budgets has to give a final decision, in preparation for the plenary sitting on the budget the week after next, it can express its views on the various points. Furthermore, ladies and gentlemen — and if Sir Peter Kirk were here, I would address these remarks to him too — this will not constitute an exception to the rule that no meetings are held during plenary sittings, since this will be *after* the plenary sitting. Or is somebody going to say that the subject of the agricultural budget will be surrounded by total confusion at the next part-session simply because the Committee on Agriculture has not been able to give its attention to the matter?

I think therefore, ladies and gentlemen, that we should try to show more understanding and not be too inflexible in dealing with the matter.

**President.** — I call Mr Broeks.

**Mr Broeks.** — *(NL)* Mr President, in principle I agree with Mr Bertrand, but if two weeks after the agenda has been drawn up it turns out that none of the representatives from the House of Commons can attend the debate on the two reports, I think this should be taken into account.

I have no objections to Mr Yeats' proposal, except as far as Mr Berkhouwer's report is concerned. This report was received too late and raised a number of questions which it was impossible to deal with on the previous occasion. If the discussion on the Hamilton and Martens reports can be postponed to the end of Tuesday's sitting I shall be quite satisfied.

**President.** — Honourable Members, with regard first of all to the reports by Mr Hamilton, Mr Martens and Mr Berhouwer, Mr Yeats has very aptly suggested — and I thank him for doing so — that they should be taken at the end of Tuesday's agenda.

Mr Broeks has agreed to this, although he had asked for them to be postponed until November and would still like an exception to be made for the report by Mr Berkhouwer. I therefore propose that we take the reports by Mr Hamilton and Mr Martens at the end of tomorrow's agenda and postpone Mr Berkhouwer's report until November.

Lord St Oswald has raised the matter of a telegram I received from Sir Peter Kirk concerning the meeting of the Committee on Agriculture. Mr Laban and Mr Lange have stated that they considered it as essential for this meeting to be held. The Bureau has indeed asked that no committee meetings should be held during part-sessions, but it nevertheless allows me to authorize meetings when they are absolutely essential. In this particular case, the Committee on Budgets has to hold a meeting on 20 October 1976 and it is essential for it to know the position taken by the Committee on Agriculture which has responsibilities relating to 75 % of the overall budget. The matters to be dealt with here are complex and difficult. The chairman of the Committee on Agriculture therefore asked for the meeting to be held after the sitting, and the Bureau was unanimous in considering that this meeting should be approved. While I fully endorse the view taken by Lord St Oswald as a matter of principle, I concur in authorizing this meeting.

Mr Laban has asked for the report on agricultural reform to be postponed until November. Mr McDonald has asked for Mr Osborn's report on the international carriage of perishable foodstuffs to be included, without debate, in the order of business for this part-session. I am grateful to him for asking for the procedure without debate and propose that the report be taken on Friday.

I call Mr Laban.

**Mr Laban.** — (NL) Mr President, I am afraid I must ask for permission to speak again on the order of business. The Committee on Agriculture requested the Bureau in writing to add to the agenda a report by Mr Hughes on the trade in processed agricultural products and a report by Mr Frehsee on the storage of agricultural products bought in by the intervention agency. The committee asked for these reports to be dealt with under the procedure without debate. The reports are mentioned on the list but I understood that if it was necessary to make a specific request for the reports to be dealt with, and I have done this.

**President.** — Mr Laban, bearing in mind the very apt points raised by Mr Bertrand and other honourable

Members, I would point out that I have no right to manipulate, whether by addition or subtraction the draft agenda drawn up by the Bureau. If, after the agenda has been laid down, a Member wishes to have a new item added or an item removed, he or she must be prepared to justify the change to this assembly.

However, since the report by Mr Hughes on processed agricultural products and that by Mr Frehsee on the stockpiling of products purchased by intervention agencies are to be put to the vote without debate, I shall move that they be included in the agenda for Friday.

I call Mr Durieux.

**Mr Durieux.** — (F) Mr President, I repeat my request concerning Mr Jozeau-Marigné's report. We should be grateful if this could be postponed until Thursday. But in any case, since we will be placing the reports by Mr Hamilton and Mr Martens at the end of the agenda, would it not be possible to replace them by the Jozeau-Marigné and Lautenschlager reports? I think that the committee would be satisfied with this arrangement.

**President.** — Do you think then that Mr Jozeau-Marigné could be present tomorrow morning?

**Mr Durieux.** — (F) Mr President, if it is impossible to postpone Mr Jozeau-Marigné's report to Thursday, I shall not press the point. But could not the Jozeau-Marigné and Lautenschlager reports take the place of the reports by Mr Hamilton and Mr Martens?

**President.** — You mean at the beginning of the agenda?

**Mr Durieux.** — (F) Yes, at the beginning. It would simply mean changing the order of the agenda.

**President.** — I call Mr Johnston.

**Mr Johnston.** — I did not intervene earlier when the question of the rearrangements of the agenda to take account of the absence of the Labour and Conservative delegations was being discussed because I thought that the suggestion made from behind me was perfectly reasonable.

However, I should like to record as the single British Member of Parliament present that at the end of the day it is perfectly possible for both the Conservative and Labour delegations to be present, since they cancel each other out in the vote which is to take place in the British House of Commons tonight. Therefore, I think that this Parliament ought to say to the British delegation — and be conscious of the fact — that it is about time that Britain gave some priority to this Parliament since, after all, we are now members of the European Community.

**President.** — Thank you Mr Johnston. Your statement fully accords with the spirit of this House. I call Lord St. Oswald.

**Lord St Oswald.** — I should like to raise a point which is I feel is not merely pedantic. My friend Mr Johnston made a slip in saying that he was the only member of the British Parliament present. There are two Houses of the British Parliament and there are various members of the Upper House present today, including my Socialist friends and myself.

**President.** — I call Mr de la Malène.

**Mr de la Malène.** — (*F*) Mr President, there is a point which has only just occurred to me. I am rather concerned about the change in the order of business which you were kind enough to approve. I am not sure that the speakers who are to take part in the debate on fundamental rights will be here tomorrow morning.

**President.** — It is rather late to raise this point now, Mr de la Malène. However, I shall ask the House to consider it because I think it must be taken into account.

I call Lord Bruce of Donington.

**Lord Bruce of Donington.** — I would not have risen to my feet had it not been for the observation made by one of my British colleagues from the Liberal Benches. It will be within the recollection of Parliament that the British delegation from both Houses in Westminster has a reputation for attendance at this Parliament second to none.

**President.**— May I ask British Members not to speak one after the other, since there are obviously more of you than we thought.

(*Laughter*)

I call Lord Castle.

**Lord Castle.** — I only want in one sentence to abuse my Liberal colleague for not realizing that in his country — if he still admits, as a Scotsman, that Britain is his country — there is taking place today a statement and a debate which mean the life or death of our economy. Some people take that debate seriously, and I think that most people in this Chamber recognize the tremendous problem which confronts parliamentarians in England and would think that their place was there.

**President.** — I call Lord St Oswald.

**Lord St. Oswald.** — It must seem that the Lords and the Liberal are taking advantage of their monopoly position this evening. I raise the point which has nothing to do with the previous points and is far more serious. When the report by Mr Jozeau-Marigné was moved into tomorrow's order of business I did not

appreciate that it would be taken by my friend Sir Derek Walker-Smith and not by Mr Jozeau-Marigné. It must be taken into account that Sir Derek cannot be here. I am sorry to raise this matter at this late stage, but I was not aware of these circumstances.

**President.** — Will Sir Derek be present later in the day? If there is any doubt, would it not be better not to amend the order of business?

**Mr de la Malène.** — (*F*) He will be here by 11.00 a.m.

**President.** — that is rather late if this report is to be taken as first item on the agenda, but what is to prevent him from speaking later in the day?

I call Mr Durieux.

**Mr Durieux.** — (*F*) In fact, Mr President, my suggestion was prompted by the fact that the Commission wanted the two reports to be debated in the morning. Perhaps we could begin by debating the Lautenschlager report, and then the Jozeau-Marigné report, unless you think it would be simpler to keep to the original order of business.

**President.** — I call Mr Ortoli.

**Mr Ortoli, President of the Commission.** — (*F*) Mr President, this is a very interesting debate (*laughter*) but I must point out that the changes in the order of business would present certain difficulties for the Commission. I have no reason to ask for any changes and I am quite prepared to accept the order of business without changes, but my colleague Mr Cheysson is arriving tomorrow morning from Algiers and I should have preferred him to be here when Parliament is debating the report on cooperation with the Maghreb countries.

In any case, even if opinion in Parliament is somewhat divided on the order of business, the Commission has to make up its mind. If I have to be present to reply to Mr Pintat I shall be, but I must admit that this will give rise to difficulties. As President I was anxious to be here tomorrow morning because the three reports on the organization of work and legal matters that were to be debated were extremely important. Now it turns out that I shall be discussing quite a different subject. This does not particularly worry me, but it may present certain problems for the Commission.

**President.** — Mr Ortoli, may I ask when you think Mr Cheysson will be arriving?

**Mr Ortoli.** — (*F*) He will not be arriving until lunch-time, so I do not think it likely that he will be here when the reports are debated. That being so, I will attend the debate in his place. I hope you will forgive me if my answers are rather more general.

**President.** — Thank you Mr Ortoli, for your cooperation with these arrangements. We all know that your answers will be of a very high standard.

I believe we can now regard this subject as closed. We shall therefore leave things as they are, except that the report by Mr Berkhouwer will be postponed until the November part-session.

For the first time certain Commission proposals have been placed on the agenda, pursuant to Rule 27A (5) of the Rules of procedure, for approval without report. This procedure lays down that unless any Member asks leave to speak on these proposals or amendments are tabled before the opening of the sitting of Friday 15 October 1976, I shall declare the proposals to be approved by Parliament pursuant to Rule 27A (6) of the Rules of Procedure.

The following are the proposals from the Commission to the Council concerned :

- Proposal for a regulation on the opening, allocation and administration of a Community tariff quota for dried grapes in immediate containers of a net capacity of 15 kg or less, falling within subheading 08.04 B I of the Common Customs Tariff (1977) — (Doc. 232/76);
- Proposal for a regulation on the opening, allocation and administration of a Community tariff quota for fresh or dried hazelnuts, shelled or otherwise, falling within subheading Ex. 08.05 G of the Common Customs Tariff and originating in Turkey (1977) — (Doc. 252/76);
- Proposal for a regulation increasing the Community tariff quota opened for 1976 by Regulation (EEC) No 2888/75 for certain eels falling within subheading Ex. 03.01 A II of the Common Customs Tariff (Doc. 254/76);
- Proposal for a regulation on the opening, allocation and administration of a Community tariff quota for certain eels falling within subheading Ex. 03.01 A II of the Common Customs Tariff (first half of 1977) — (Doc. 258/76);
- Proposal for a regulation totally or partially suspending Common Customs Tariff duties on certain products falling within Chapters 1 to 24 of the Common Customs Tariff and originating in Malta (1977) — (Doc. 303/76);
- Proposal for a regulation on the opening of a tariff quota for new potatoes falling within subheading 07.01 A II of the Common Customs Tariff for the first half of 1977, originating in Cyprus (Doc. 304/76);
- Proposal for a regulation opening, allocating and providing for the administration of a Community Tariff quota for apricot pulp falling within subheading Ex. 20.06 B II c) 1) aa) of the Common Customs Tariff, originating in Israel (1977) — (Doc. 305/76);

- Proposal for a regulation temporarily suspending the autonomous Common Customs Tariff duty on mushrooms, excluding cultivated mushrooms, dried, dehydrated or evaporated for the processing industry of subheading Ex. 07.04 B (Doc. 308/76);

— Proposals for :

- a regulation opening, allocating and providing for the administration of Community tariff quotas for port wines, falling within subheading Ex. 22.05 of the Common Customs Tariff, originating in Portugal (1977),
- a regulation opening, allocating and providing for the administration of a Community tariff quota for Madeira wines, falling within subheading Ex. 22.05 of the Common Customs Tariff, originating in Portugal (1977),
- a regulation opening, allocating and providing for the administration of a Community tariff quota for Setubal Muscatel wines, falling within subheading Ex. 22.05 of the Common Customs Tariff, originating in Portugal (1977)

(Doc. 309/76);

— Proposals for :

- I. a regulation opening, allocating and providing for the administration of a Community tariff quota for dried figs falling within subheading Ex. 08.03 B of the Common Customs Tariff, originating in Spain (1977),
- II. a regulation opening, allocating and providing for the administration of a Community tariff quota for dried grapes falling within subheading Ex. 08.04 B I of the Common Customs Tariff, originating in Spain (1977)

(Doc. 312/76);

- Proposals for regulations opening, allocating and providing for the administration of a Community tariff quota for apricot pulp falling within subheading Ex. 20.06 B II c) 1) aa) of the Common Customs Tariff, originating in Tunisia and Morocco (1977) — (Doc. 313/76);

- Proposal from the Commission to the Council for a regulation amending Regulations (EEC) Nos 1160/76 and 816/70 laying down additional provisions for the common organization of the market in wine, Regulation (EEC) No 1164/76 on the common organization of the market in products processed from fruit and vegetables and Regulation (EEC) No 950/68 on the Common Customs Tariff (Doc. 322/76).

I am pleased to report that following intensive and highly detailed discussion in the Committee on the Rules of Procedure and Petitions, it has finally proved possible to implement this procedure which we proposed nearly fifteen months ago. It is now being proposed for consultation on twelve items at this part-session. This will enable us to save the time that we should otherwise have to devote to routine matters for the more important issues that concern this Assembly.



**President**

I therefore propose that the House adopt the following order of business:

*Tuesday, 12 October 1976, 9.00 a.m. and 3.00 p.m.*

- Statement by the Commission on the action taken on the opinions of Parliament
- Joint debate on the Hamilton and Martens reports on the amendment of the Rules of Procedure
- Deschamps report on the outcome of the Fourth UNCTAD
- Pintat report on the cooperation agreements between the EEC and Tunisia, Algeria and Morocco
- Jozeau-Marigné report on fundamental rights
- Lautenschlager report on the withdrawal of proposals by the Commission

*Wednesday, 13 October 1976, 10.00 a.m. and 3.00 p.m.*

- Question Time
- Oral question with debate to the Conference of Foreign Ministers on *détente* in Europe
- Oral questions with debate to the Council and the Commission on customs procedures
- Joint debate on :
  - oral questions to the Council and the Commission on International Women's Year; and
  - oral question to the Commission on women in the Europe of the Nine
- Joint debate on :
  - oral question to the Council on the extension of Member States' fishing zones
  - oral question to the Commission on the same subject
  - oral question to the Commission on aquaculture

*Thursday, 14 October 1976, 10.00 a.m. and 3.00 p.m.*

- de Freitas report on generalized tariff preferences
- de Koning report on the balance of the milk market
- Schwabe report on the carriage of goods by road
- Premoli report on the protection of the Mediterranean
- Oral question with debate to the Commission on air traffic control
- Oral question with debate to the Commission on bird protection
- Oral question without debate to the Commission on third-party motor vehicle insurance
- Dykes report on transactions in securities
- Artzinger report on taxes affecting the consumption of tobacco

*Friday, 15 October 1976, 9.30 a.m.*

- Possibly, continuation of Thursday's agenda
- Ellis report on the rational use of energy
- Procedure without report
- Osborn report on the international carriage of perishable foodstuffs (without debate)
- Hughes report on trade in goods resulting from the processing of agricultural products (without debate)
- Frehsee report on the storage of products bought in by an intervention agency (without debate)

Are there any objections?

That is agreed.

I shall consult Parliament tomorrow morning on debate by urgent procedure on the motion for a resolution on the Friuli earthquake (Doc. 342/76).

#### 9 Time-limit for tabling amendments

**President.** — I have fixed the time-limit for tabling amendments to the two reports by Mr Hamilton and Mr Martens (Docs. 335/76 and 336/76) on the amendment of Parliament's Rules of Procedure as 8.00 p.m. this evening, and on Mr de Koning's report (Doc. 343/76) on the balance of the milk market as 3.00 p.m. on Wednesday, 13 October.

#### 10 Agenda for the next sitting

**President.** — The next sitting will be held tomorrow, Tuesday, 12 October 1976 at 9.00 a.m. and 3.00 p.m. with the following agenda:

- Statement by the Commission on the action taken on the opinions of Parliament;
- Joint debate on the Hamilton and Martens reports on the amendment of the Rules of Procedure;
- Deschamps report on the outcome of the Fourth UNCTAD;
- Pintat report on the Cooperation agreements between the EEC and Tunisia, Algeria and Morocco;
- Jozeau-Marigné report on fundamental rights;
- Lautenschlager report on the withdrawal of proposals by the Commission.

The sitting is closed.

*(The sitting was closed at 7.40 p.m.)*

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## IN THE CHAIR : MR SPÉNALE

*President*

*(The sitting was opened at 9.05 a.m.)*

**President.** — The sitting is open.

1. *Approval of the minutes*

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

Are there any comments?

I call Lord Castle.

**Lord Castle.** — There has been circulated to me, and I assume to other Members of Parliament, an agenda for today which seems not to bear out the decision as I understood it which was taken by Parliament yesterday.

Mr President, you very kindly listened to representations made about the reports of Mr Hamilton and Mr Martens. As I understood it, you were sympathetic to the plea as, because of the urgent necessity for him to be in Westminster yesterday, Mr Hamilton could not be present for the morning sitting. However, I see on the agenda for today that his report is amongst the first items to be discussed. I believe it would be a great disappointment to Parliament — and certainly to Mr Hamilton — if he were not here to present his report, by which, after all, Parliament sets considerable store.

**President.** — Last night, after a fairly long discussion, it was finally stated that we would leave things 'as they were'. This expression may have given rise to a certain amount of confusion, since it could be understood to mean either that the original agenda would be maintained or that it had been modified as a result of the discussion that had taken place.

On a day like this, it isn't easy to steer a ship through the fog, but we are going to try . . . In particular, we

have to decide on Mr Noè's request for a debate by urgent procedure. The motion for a resolution which he has submitted has been distributed and can be debated immediately if urgent procedure is adopted. In fact, our delegation is leaving for Friuli tomorrow and for that reason it would be good if Parliament could express its views on this problem today.

As for the other items on the agenda, we will try to avoid making any changes so far as the presence of rapporteurs or their deputies enables us to do so.

Are there any further comments? The minutes of proceedings are approved.

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

**President.** — The first item on the agenda is the statement by the Commission on action taken on the opinions and proposals of Parliament.

The Commission, however, has informed me that it has no statement to make on the matter during the present part-session.

3. *Decision on the urgency of the motion for a resolution on the Friuli earthquake*

**President.** — I consult the House on the request for debate by urgent procedure on the motion for a resolution tabled by Mr Noè, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the Friuli earthquake (Doc. 342/76).

Are there any objections?

The adoption of urgent procedure is agreed.

I propose to the House that we consider this item immediately.

Are there any objections?

That is agreed.

I call Mr Noè.

**Mr Noè.** — (I) Mr President, I am grateful to you and to the House for agreeing that this matter should be dealt with by urgent procedure.

The motion for a resolution tabled by me on 1 October in the Committee on Regional Policy, Regional Planning and Transport is intended to supplement the decisions taken by the Commission. In this connection, I should like to thank Mr Ortoli for his initiative, which is broader and covers a more extensive period than my own proposal, whose aims and duration are more limited.

Mr President, you recently stated that a delegation from the Committee on Budgets would be travelling to Friuli to verify the performance of work on certain major infrastructural projects and large installations. I am pleased that this decision has been taken, because there are problems here which need to be followed up closely. This holds good above all for the choices to be made and criteria to be adopted so as to ensure that the structures can withstand new earthquakes. A normal structure is in fact exposed to vertical forces but in the structures to be built here allowance must also be made for horizontal forces which may be equivalent to as much as twenty-five per cent of the vertical stresses.

The purpose of my resolution is simply to improve the prospects open to the local population of having at their immediate disposal a better dwelling than the one in which they live at present. The fact that the first heavy earthquake in May was followed by other tremors of medium intensity and then again by another violent shock has thrown into disarray the strategy underlying the choice of the emergency structures. Under the emergency solutions, the population was to have spent the summer under canvas; meanwhile the structures damaged by the initial earthquake were to have been repaired to make them ready again for use by the winter.

The second earthquake had two negative effects: it completely destroyed the work of reconstruction and created, understandably enough, a psychosis among the inhabitants, who are now far less willing to live again in traditional heavy buildings, which, especially if they are not earthquake-resistant — that is to say, designed and built according to the criteria to which I referred above — may present a mortal risk.

Under these conditions — and I discussed the matter with Government Commissioner Zamberletti before taking this initiative — the most appropriate measure is to send mobile homes which are easy to transport or, better still, small, single-storey prefabricated houses for one family, perhaps of the recently designed type which can be installed without foundations. I have looked into this matter in the past few days: in France single-family houses are available which can

be transported by rail or truck and set up immediately. All that is necessary is a flat site and at the most four blocks of concrete in the corners. I ascertained that when a disaster occurred in the Pyrenees a few years ago the elements of these houses were carried straight to the site by helicopter.

Through this resolution, therefore, the European Parliament — and I appeal directly to you, Mr President — and the Commission — by good fortune President Ortoli is with us now — should encourage the Member States to make material of this kind available in October or November at the latest, because the time available is short. That is our aim.

Over and above the measures taken by the Italian Government, a number of mobile homes have already been sent from Italian towns on the initiative of private individuals — two hundred from Milan and the same number from Turin, to give you an idea of the figures involved; these homes have been allocated to families. In this way it has been possible to ensure the safe and permanent presence of a number of persons whose activities are of vital importance, for example in agriculture. I say that these homes are safe because an earthquake clearly presents no risk to persons in a caravan or prefabricated house of the kind I described earlier.

There is also a further proposal which it is not my task to consider in detail. The parliamentary committee which will be going to Friuli to supervise the use of the Commission's funds might also allocate a small part of these funds to the purpose outlined above. To give you an idea, a French company approached by me stated that it could supply substantial quantities of one-family houses within three weeks from the date of the order using refurbished material and probably within four weeks using new material.

Mr President, the scope of this resolution is limited in time, but it is nevertheless of great value to improve the physical condition and morale of the local population, who are now on the threshold of winter.

I believe that European solidarity will be particularly appreciated by them if it is put into effect with the necessary speed. I therefore hope that the requirements will be met as a matter of the utmost urgency.

*Applause)*

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

**Mr Giraud.** — (F) Mr President, I do not wish to prolong this debate unduly but, as I have already done in committee, I want to assure Mr Noè of our group's full support for this resolution aimed at achieving an extremely precise goal — namely, that of effectively helping the local population at a time when they need such help.

**Giraud**

I should like to take this opportunity to thank publicly the President of the Commission and, through him, the Commission in its entirety, for the support they have already given to the Italian population and for the central and effective part played in the Seveso disaster by the Joint Research Centre at Ispra, which we have criticized here on a number of occasions in the belief that it was not living up to our expectations.

Today, on the contrary, we have an occasion to pay tribute to it and to point out that Community research is not always up in the stars but sometimes comes down to earth to help our fellow citizens at a time of trouble.

If, God forbid, other disasters of that kind occur again, let us hope that the Community will once more take rapid and effective action.

*(Applause)*

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

**Mr Yeats.** — I wish to give our support to this resolution and to say that all of us have felt the tragedy of the events in Friuli, particularly the recent further earthquakes that have taken place. We join with all Members in urging the Commission to take all possible steps as rapidly as possible to deal with this tragic situation and also to call on the Member States, as Mr Noè has called upon them, to take whatever action is open to them.

*(Applause)*

**President.** — I call Lord St. Oswald.

**Lord St. Oswald.** — It seems to me that the value of Mr Noè's approach to this matter is that he has not been content to dwell simply on the tragedy of the situation, of which we are all aware, but has named the practical approaches which are open to us. He has mentioned small, easily constructed, temporary houses and caravans. The advantage of the winter is that it is not a time when caravans are in great demand for normal purposes and, therefore, greater numbers may be available as a temporary measure during the winter months. I hope that the investigation will seek out the constructors, owners and hirers of caravans in various countries, including my own, and that this practical proposal by Mr Noè will bear fruitful results.

*(Applause)*

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

**Mr Berkhouwer.** — *(F)* Mr President, we in the Liberal and Allies Group fully endorse the observations made by Mr Giraud.

**President.** — I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets** — *(D)* Mr President, ladies and gentlemen, I want

simply to inform the House of the attention given to the financial aspects of this matter by the Committee on Budgets. We have a proposal from Mr Cointat and his group to enter 200 million units of account in the 1977 budget to provide effective aid.

In the light of Mr Noè's proposals, it will also be necessary to consider where and how the inhabitants of this area, which appears to be constantly threatened by earthquakes, can be housed: in the same places as before or elsewhere. This question will have to be looked into.

If we wish to give appropriate aid to the population, greater financial resources must be made available than the 60 million u.a. already provided for 1976. We are considering the possibility of making available 300 million u.a. spread over three years.

However, Members of this House must first go and see for themselves what is needed. The Committee on Budgets therefore proposed that Lord Bessborough, who has already visited the Friuli area once at the President's request, should go there again to see how matters stand in liaison with the Italian authorities and representatives of the Commission; the committee proposed that he should be accompanied on this occasion by Mr Giraud.

If the Bureau or Parliament considers that other Members should be officially appointed for this purpose, the Committee on Budgets will have no objection. However, the committee cannot itself make any further proposals in this direction.

Our sole aim is to provide effective aid to the population suffering from the earthquake so that the Community can show genuine solidarity with those of its citizens who have been afflicted by a disaster.

*(Interruption: The time for solidarity is now!)*

**Yes of course, the time is now!**

*(Applause)*

**President.** — I call Mr Ortoli.

**Mr Ortoli, President of the Commission.** — *(F)* Mr President, I am personally following the implementation of the decisions taken in the late summer to assist the population of Friuli.

The Commission shares Parliament's concern, and some time ago I decided to send a new delegation to see what progress was being made, because, as you know, we decided firstly to allocate 60 million u.a., made up of 15 million for infrastructures and 45 million for agriculture, and secondly to grant a certain sum, immediately available, for the construction of 'ECSC houses.' We decided to transfer 6 million u.a. to the Savings Bank in Udine. That transfer is being or has now been made.

The delegation I am proposing to send, which comprises the two key men from the Commission responsible for implementation of the emergency

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programme, will examine with the Italian authorities the possibility of using a part of this sum for the construction of prefabricated houses. That answers Mr Noè's question. If we can do so, this solution will have the advantage of being rapidly applicable.

As regards the other points, the same delegation will have to look at the whole problem from two angles, like the delegation from your Committee on Budgets.

Mr Lange raised the question of additional funds. My first concern is, however, to spend the money already available. I said so last July. Let us take new action if necessary, but first let us prove that, working together, we can spend the 60 million u.a. which already appear in the budget. That is the main aim of our delegation.

As to agriculture, you are aware that we immediately contacted the Italian authorities in Rome and in Friuli. I am choosing well-tried procedures so as to lose no time and I am confident that we shall manage to send the available funds.

As to the problem of infrastructures and houses, we are encountering additional difficulties, which Mr Noè summarized: the fresh tremors have caused further damage and jeopardized the organizational work already undertaken in certain sectors. It must be conceded that, despite the vigorous action by the Italian authorities and the local population, progress is not easy to make when new serious tremors occur again, as they did a few days ago.

To sum up, I have noted Mr Noè's proposal. We are continuing our work and I am personally supervising the use of the sixty million units of account earmarked here. We shall see whether it is possible to use some of the funds already available for prefabricated houses instead of traditional buildings. When our delegation and your own return, we shall perhaps be able to consider together the other problems which may arise.

**President.** — I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets** — (1) Mr President, I am sorry to have to ask to speak again. Mr Ortoli had already made these points in the Committee on Budgets, and he left us with the impression that the Commission, or the Commission officials responsible for these matters, are proceeding in an extremely bureaucratic manner. President Ortoli, I would ask you — and to this extent I agree with you — to use the 60 million u.a. first of all. That sum is, however, intended for 1976 and we were talking just now about 1977 and subsequent years. It will be a long time before all the damage caused by this earthquake can be made good. We must provide direct aid. I am speaking on behalf of the Committee on Budgets, and I hope on behalf of the whole Parliament, when I say that we want the procedures to be applied with the minimum of red tape in the spirit of the regulations and not merely following their letter.

It is now autumn and the damage occurred last spring. Appropriate action should have been taken long ago and we have criticized the fact that 6 million u.a. are only now being sent to the Udine Savings Bank. In our view that is too long. I would therefore ask you to consider with the members of the Commission how matters can be speeded up and dealt with unbureaucratically.

**President.** — I call Mr Ortoli.

**Mr Ortoli, President of the Commission.** — (F) Mr President, allow me to assure Mr Lange that we are not dealing with this matter in a bureaucratic manner.

A decision was taken on 14 June. We have to prepare a number of projects, call in architects, consult companies and organize the work. We must know exactly what work is to be done in a number of areas — because in the last resort we must proceed practically and not simply deal with things in a very general way.

I have sent several delegations and am able to assure you that there is nothing bureaucratic on our side. There is so little bureaucracy that we have in fact simplified and changed the procedures. We have sent people to Italy to help the Italian Government to face this particular difficulty. In other words, we are ourselves dealing with some of the projects or at least helping directly to process them.

If my memory is correct, I stated that at all events we should not be able to begin to spend the available funds until October. The first effective measures were taken in July, i.e., three months ago. I would remind you that we have been held up by the latest events, which present a problem. More buildings have collapsed and the work already put in hand has been further disorganized. However, I assure you that there has been and will be no bureaucratic element in this action.

If, as I believe will be the case, operations are got properly under way before the end of the year the Commission and Parliament will have done a good job. It is not so very usual for funds to be used in a period of three months.

**President.** — I call Mr Amendola.

**Mr Amendola.** — (I) Mr President, I wish to point out that the action by the Community, which was requested in June, has been of great political importance and has been viewed in Italy as an expression of European solidarity even if no work has been put in hand immediately because of the difficulties encountered. I consider this action particularly important partly because a great many migrant workers have come from Friuli. This is one of the regions which has provided the largest number of workers to other Community countries; this gesture of solidarity was therefore necessary.

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Of course difficulties are being encountered in spending the available funds. But I do not believe that we in Italy have much cause for criticism here, because we too — both the Italian authorities and the Friuli region — have run up against difficulties. The situation is serious for the reasons indicated by President Ortoli, that is further earthquakes and damage have occurred leading to new complications. There is disorganization and the population is extremely nervous — as a result of all these tragic months and a course of events which has not always been controlled.

In our country, there is at present a critical debate on the way in which action has been or is being taken. But we do not consider criticism of the Community justified, because we too are encountering the difficulties which have been described to you.

Mr President, we hope that action by the Community will be increasingly prompt and reflect a spirit of European solidarity.

*(Applause)*

**President.** — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The motion is adopted.<sup>1</sup>

### 4. Change in the agenda

**President.** — Only two rapporteurs are present: Mr Lautenschlager, whose report is down to come at the end of the day, and Mr Martens, whose report is linked with that by Mr Hamilton.

I propose to the House that we proceed immediately to the debate on Mr Lautenschlager's report.

Are there any objections?

That is agreed.

### 5. Further consultation of Parliament on proposals amended or withdrawn by the Commission

**President.** — The next item on the agenda is therefore the report by Mr Lautenschlager, on behalf of the Legal Affairs Committee, on the further consultation of the European Parliament on the proposals amended or withdrawn by the Commission (Doc. 239/76).

I call Mr Lautenschlager.

**Mr Lautenschlager, rapporteur.** — *(D)* Mr President, ladies and gentlemen, this 'own initiative' report is a new step, an attempt by Parliament to be involved more appropriately and fully in what I might call the legislative process.

Under the existing Community legislative procedure, the Commission, which has the sole right of proposal,

submits a draft to the Council, which then asks Parliament for its opinion on those proposals in respect of which the Treaties require Parliament to be consulted. By mutual agreement, there is now a further possibility of the Council submitting to the Parliament legislative acts on which the Treaties do not require the Assembly to be consulted. So far so good. We fully endorse this procedure.

We have, however, now found that, without excessive recourse to Articles 235 and 236 of the Treaty, Parliament has in fact further opportunities of intervening in the legislative process — namely, through an extensive interpretation of Article 149 of the EEC Treaty. The question arose as to what constitutes a 'substantial amendment'. The European Parliament considers that it must be consulted again if the Commission substantially amends a proposal before the Council takes a decision. If a substantial amendment is made and the Council acts on it, the decision will in effect be taken on a text which was not submitted to the Parliament in that form. It follows that Parliament should be heard again.

The second question was to determine whether Parliament should be involved, and if so how, when the Commission withdraws a proposal to the Council. Does that withdrawal constitute a substantial amendment? We think it does. Of course the question then arises as to what we mean by a substantial amendment. We could not reach a definition in our report, but decided to propose to the Assembly that it should decide in each specific instance whether a substantial amendment has been made. If so, further consultation and a new decision will be necessary; in the absence of any substantial amendment, the proposal can be passed to the Council in its amended form. However, Parliament must be responsible for deciding whether an amendment is substantial; this question cannot be settled by the two other institutions alone.

**Mr President,** that is the broad purport of our report. The Legal Affairs Committee has already submitted an opinion to the plenary Assembly following discussions in a committee which found that the Commission had made a substantial change after a proposal had been considered by Parliament. For this reason the plenary Assembly instructed the Legal Affairs Committee to submit an 'own initiative' report. That report has now been presented, and I invite you to adopt the motion for a resolution.

*(Applause)*

**President.** — I call Mr Ortoli.

**Mr Ortoli, President of the Commission.** — *(F)* Mr President, I shall be very brief. Mr Lautenschlager's report provides in my view an excellent basis for consideration of this matter by Parliament. He makes three points.

<sup>1</sup> OJ C 259 of 4. 11. 1976.

**Ortoli**

The first is the problem of consultation by the Commission rather than by the Council. It is not for the Commission to decide on this point, which must be considered jointly with the Council. I do not wish to dwell on this, as there is no doubt a procedure which will enable you to put the question.

The second point is that of a substantial amendment and an opinion following such an amendment. The problem is twofold. Firstly, it must be decided whether an amendment is substantial; we try to do so to the best of our ability and this does not seem to be a basic problem. However, assessment of a particular proposal may sometimes be rather delicate. Secondly, substantial amendments may be made at the end of the procedure by the Commission itself in the presence of the Council or, of course, by the Council. In such cases it is practically impossible to consult Parliament. When we are engaged in the process leading to the final decision, and it is the Commission's duty to obtain such a decision, it becomes very difficult to suddenly interrupt our proceedings and ask Parliament for a fresh opinion.

The last point is the withdrawal of proposal by the Commission. There is a practical aspect here. The proposals withdrawn by us have for the most part been of a technical nature and I do not think there is any interest in consulting Parliament on such proposals. We may have been led to withdraw technical proposals because of changed circumstances or considerations of timing.

There is also a theoretical aspect with which you are familiar: the Commission has the right of initiative and must be able to exercise that right in full. In particular, it must be able to withdraw at its discretion proposals made by it when it considers that new factors make it necessary for it to change its opinion, i.e., to withdraw its original proposal. In this connection I hope that Parliament will tread warily in disturbing an essential prerogative of the Commission which is part of the institutional balance of our Community.

**President.** — I call Mr Lautenschlager.

**Mr Lautenschlager, rapporteur.** — (D) Mr President, I cannot agree at all with Mr Ortoli's observations. We have to weigh up the legal rights involved here. The Commission has the sole right of proposal and initiative, which we do not seek to diminish in any way. However, Parliament has the right to be consulted, and this must also not be diminished. Let me say in passing that we are not concerned here with technical amendments. Nobody will object if the Commission makes a technical or editorial change. But if the Commission changes the content of a text to such an extent that the result is quite different from the proposal debated in Parliament in plenary session, then the Parliament must be heard again

before the Council of Ministers takes its final decision. That is quite clear and flows logically from Article 149, even though the second paragraph of that article refers only to obligatory consultation under the Treaty.

The fact of the matter is as follows: nobody wishes to diminish the Commission's right of initiative, but Parliament, too, cannot accept any curtailment of its rights, which are, after all, already strictly limited in the legislative process. Parliament must be heard if a substantial amendment is made. Moreover, it must be able to determine for itself whether an amendment is substantial; it must also be able to decide whether the withdrawal of a proposal constitutes a substantial amendment. Parliament must guard these rights jealously. I therefore ask you, ladies and gentlemen, to agree to my proposal as embodied in the motion for a resolution.

**President.** — I call Mr Broeks.

**Mr Broeks.** — (NL) Mr President, in principle I agree with what Mr Lautenschlager has said. However, I want to make one observation concerning the question raised by the President of the Commission as to what happens if the Commission amends its proposal substantially during consultation with the Council. Mr Ortoli believes that it will then be difficult to consult Parliament again. I have the impression that Mr Ortoli is sympathetic to the points made by Mr Lautenschlager on behalf of our committee. However, he has drawn attention to a number of technical difficulties. When it comes to minor amendments, I believe we must place our confidence in the Commission. I do not expect that the Legal Affairs Committee would want proposals referred back to Parliament for all kinds of petty reasons. But if really significant amendments arise during discussions with the Council, I would not consider it unrealistic for the Commission to ask the Council whether Parliament should not be consulted again. Perhaps the Council would consider it reasonable in such cases for Parliament to be heard again on the amended proposal.

There are therefore instances where Mr Ortoli is right but there are others where in my view the Commission could ask, in consultation with the Council, for Parliament to be heard again. I hope that a decision will be taken for this to be done in important cases. Parliament must, of course, then deliver its opinion as a matter of urgency. We have in fact done so on more than one occasion in the past.

When proposals of a technical nature are withdrawn, I cannot see why they should not be referred to us. After all, they are technical proposals on which the Council decided to consult Parliament. They are therefore not so very technical that Parliament cannot make any assessment of them; otherwise, they would not have been submitted to Parliament in the first



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place. I believe we must not be too hasty in deciding that these proposals are of a purely technical nature. We know only too well how difficult it sometimes is for the Council to reach decisions and how much trouble the Commission has in obtaining the Council's acceptance of its decisions. If the Council then hides behind the assertion that a proposal is purely technical, matters become doubly difficult for Parliament. When a proposal is withdrawn, it is perfectly possible that Parliament may consider it so important that it will itself take the initiative.

In such cases I suggest that Parliament should be notified that a particular proposal is to be withdrawn even if it is of a technical nature. Parliament can then decide for itself whether it agrees to the withdrawal or wishes other action to be taken.

**President.** — I call Mr Guldberg.

**Mr Guldberg.** — (*I*) Mr President, I am speaking in my personal capacity and not on behalf of my group. I want simply to point out that in the present situation — which has unfortunately existed now for several years — our greatest problem is to obtain decisions from the Council.

That is why I hope that Parliament will show confidence in the Commission by allowing it some freedom of action: otherwise it will only be still more difficult to obtain decisions in the Council. We can always make the Commission responsible, but what is needed is confidence. It seems to me difficult to define in concrete terms the extent of the freedom of action which should be allowed, but we can show a measure of trust and we must prefer decisions to be taken in agreement between Parliament and the Commission.

Mr President, let me repeat that these are personal remarks. I am afraid that the decision-making process, which is still far too cumbersome may be complicated still further by excessive formalism.

**President.** — I call Mr Patijn.

**Mr Patijn.** — (*NL*) Mr President, I want to quote an example showing how right Mr Lautenschlager is in submitting his proposal. In 1964, two proposals were laid before this Parliament: one on the establishment of a European guarantee fund for agriculture. Parliament considered these proposals in detail and after mature consideration delivered two opinions on them.

But what in fact happened? While Parliament was preparing its opinions, the Commission withdrew both proposals and replaced them by a new one on the creation of an agricultural fund — namely, the European Agricultural Guidance and Guarantee Fund. This had far-reaching consequences, especially in that the expenditure under both funds was linked by certain percentages. The result was that the European Parliament's right to deliver an opinion remained a

dead letter because it delivered its opinion on proposals which had already been withdrawn without its knowledge.

This could scarcely be described as an instance of a technical amendment. It has also been pointed out that it is for Parliament to decide whether an amendment is to be considered technical or not. This cannot be done by giving the Commission freedom to reach its own decision. It is for Parliament to decide, and I hope Mr Ortoli will be prepared to say that he agrees with Mr Lautenschlager on this point to prevent our facing further difficulties later.

We are concerned here with an essential aspect of the present procedure of consultation. It is still more important to determine how that procedure is to be arranged in the future — namely, the procedure of cooperation between the Council and Parliament in which the Commission is involved, if it is not clear at which stage and at what time the Commission makes amendments and who is responsible for them.

With an eye to the future, Parliament and the Commission, who are not in any way competitors or opponents in this matter, must quite clearly avoid any misunderstanding regarding their willingness to cooperate based on the legal obligation of the Commission to give clear information to Parliament. Otherwise, we shall experience very real difficulties with the consultation procedure which has now been laid down and is linked with the European Parliament's budgetary powers.

I should be pleased if Mr Ortoli would confirm that a broad rather than a limited interpretation will be given to the Commission's obligation to inform Parliament of amendments to or the withdrawal of proposals; on this point the Commission should subscribe to Mr Lautenschlager's views.

**President.** — I call Mr Ortoli.

**Mr Ortoli, President of the Commission.** — (*I*) Mr President, this is an important matter which must be examined carefully; I believe that while there are differences between us on certain specific points we agree on the essentials.

I shall look again at two aspects separately. First, the hypothesis of a substantial amendment.

Here, as I said just now, there is no difference of opinion between Mr Lautenschlager and the Commission. We have to decide what constitutes a substantial amendment. That may present practical problems, but at the legal and political levels we agree with your committee. There is just one point — I want to remind you of this despite what Mr Broeksz said just now — which you must consider realistically, bearing in mind the legal implications: I refer to an instance where a proposal is under consideration in the Council in the afternoon or at night and a decision is

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about to be taken. At that point, unless the case is altogether exceptional and fairly difficult to envisage, we are no longer in a situation where substantial amendments are made. We are at the stage when the decision is taken. In legal terms, the Council can then be said to be exercising its right of amendment. If a decision is to be taken — and we do not reach enough decisions as it is — it then seems practically impossible to me for the matter to be referred back to Parliament, however vigilant the latter may be. It would not be possible, for example, to apply an emergency procedure on the morning of 19 October in respect of a decision to be taken that same day on a matter of importance to the Community.

I therefore think that we must be clear about this. In our rather special system, when a decision is taken the final deliberation between the Council and Commission raises a difficulty which cannot be resolved, except in very special circumstances, by referring the matter back to Parliament; difficulties have rarely arisen between us in defining substantial amendments. We must arrive at a form of dialogue which, when the Commission makes substantial changes to a proposal, enables Parliament to give the alert, asking to be consulted unless we ourselves come back to Parliament. This is the case in practice and there will be no difficulties of principle between us on this point.

Then there is the question of withdrawal. When I spoke of technical withdrawal I would like you to understand that I was referring to what the Commission has done recently. We have withdrawn proposals for the sake of administrative clarity. In the case of the present Commission at least, I do not believe that our work has been such as to call into question the exercise by Parliament of its right to be consulted.

I am not saying that everything is technical, but in practice in the last few months or years the withdrawal of a fairly substantial number of proposals has been effected for reasons of sound administrative action. I note, moreover, that there has been little or no opposition in Parliament to the position adopted by us.

As to withdrawal for political reasons which may be more substantial, I can only say that I stick to my position. I do so because the Commission is a political body. The initiative taken by us is a political initiative. Our attitude is binding on us as an institution. When we decide that the time has come to withdraw a proposal we do not, in so doing, escape from our position as a political body answerable to you. We are always able to put oral questions and so on to us, asking for explanations; you may support or criticize us.

But if you consider that in the area of general administration we are mistaken in withdrawing proposals relating to substantial matters, you can also censure us. You must bear this point in mind, this balance of the permanent dialogue which involves, too, our responsibility to Parliament. I should like the rapporteur to know that in our view, to use his own words, withdrawal is a normal corollary of the right of initiative.

But the right of initiative or its corollary in no way diminishes the prerogatives of Parliament. If tomorrow we decide in the full glare of publicity to withdraw a key proposal, I am quite sure we shall agree to hold a debate on the matter. The Commission will want to explain why it took such a spectacular decision in an important matter. I am sure that Parliament will propose a debate on such a point.

I therefore urge you in the clearest possible terms not to touch the Commission's right of initiative, which is a central feature of the balance of our relations and that balance guarantees to Parliament the possibility of intervening.

**President.** — I call Mr Lautenschlager.

**Mr Lautenschlager, rapporteur.** — (D) Mr President, after listening to President Ortoli's last remarks I have the impression that we have not understood each other properly. Mr President, I want, too, to apologize for a slip of the tongue in my comments on Mr Ortoli's previous speech.

There is no question of taking anything away from the Commission. The three institutions of the European Community are sovereign within their respective areas of responsibility. None of them wishes to take anything away from the others and each jealously guards against any encroachment on its own area of responsibility. This situation will not change. One would have to be an astrologer to say what will happen after 1978, and that is not what we are discussing now. This debate has simply brought to light a peripheral problem, that of the sequence in which a proposal is discussed. Should proposals continue to be forwarded by the Commission to the Council, by the Council to Parliament, then back from Parliament to the Council after which the Council consults the Commission again if possible, or should, as has been suggested by some Members of this House, the proposal be sent first by the Commission to Parliament, which would then deliver its opinion, after which both the Commission's proposal and the Parliament's opinion would form the basis for the Council's decision? I do not think we should discuss this aspect today; this would need to be debated and decided in a different context.

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But one very important point — on which Mr Ortoli defends the Commission's position with some stubbornness, to which Parliament should reply with equal stubbornness — is this: Parliament cannot allow its rights to be curtailed because of difficulties of timing which may arise in the Commission or Council. Parliament must at all times be able to exercise its rights without any form of pressure whatsoever. This must remain the case. It would not be acceptable to say: the Council has to reach a decision tomorrow so that a special sitting of Parliament must be convened now, or something on these lines. In such cases the Council should either take no decision at all or a preliminary decision which may then be reversed by a resolution of Parliament. Parliament must even have the possibility of bringing an action in the Court of Justice of the Communities in Luxembourg in order to overrule such a decision of the Council taken without consulting Parliament again in a matter which has changed completely since it was presented to Parliament. It is totally unacceptable for the right of Parliament to be heard to be curtailed by any kind of procedural trick, pressure of time and so on. We cannot possibly accept that, Mr President, and I would ask my colleagues to endorse this view.

As regards withdrawal, our views are not so wide apart. The right of initiative to present a report, resolution or draft to the Council may also be reversed if the Commission says: the Council has not yet decided; we have changed our mind for one reason or another and are withdrawing our proposal to the Council. That procedure should still be possible and nobody wants to change it. What does arise is the following point: after Parliament has been consulted — see Article 149, second paragraph — on a proposal and has delivered its opinion, that opinion is made superfluous by withdrawal of the proposal. However, an opinion of Parliament can only be withdrawn by Parliament. The Commission cannot act as Parliament's guardian and say: now that our proposal has been withdrawn Parliament's opinion is superfluous. That is not acceptable.

Consequently, Parliament must also be heard in the event of withdrawal; in other words, if the Commission withdraws a proposal — and it has an exclusive right to do so — Parliament must be able to indicate whether it considers that withdrawal a substantial amendment within the meaning of Article 149.

That is the problem which concerns both the Commission and Parliament. We do not wish to deprive the Commission of any of its rights, but we also appeal to the Commission to respect the rights of Parliament.

**President.** — I call Mr Ortoli.

**Mr Ortoli, President of the Commission.** — (F) Mr President, I repeat that I maintain my position with a view to working as closely as possible with Parliament,

since, to take the last example, I believe that the right of political initiative would be gravely impaired if we one day had to withdraw a proposal after the Council had failed to act.

Take the example of matters which have been in abeyance for a long time; if at a given point in a dramatic debate between the Council and Commission the latter is forced to conclude that no progress is being made in the proceedings so that the very basis of the discussion has ceased to exist, you could not then modify our proposal to such an extent that it would have no more substance. On the other hand the Council, acting unanimously, may change a Commission proposal completely.

We have the right of initiative, and if we consider that we should not accept the change and withdraw the basis for it through the political act which consists in saying that you are weakening the position to such an extent that we do not recognize what we have proposed for Europe, what are we to do? I could not say to the Council that there is no longer a Commission proposal and that in our view you are responsible by departing from the economic or political commitment which we were proposing.

If we were obliged to work under conditions such that at any time we had to return to you to exercise the final political act of reaching a decision, then both you and we would lose in equal measure. On the contrary, I believe we should seek all possible ways of working together — but remember we are a political body responsible to you.

I want this exercise of political and legal authority to be maintained intact while recognizing that we must increasingly work together; that is why, let me remind you, I have personally proposed the procedures by which we explain the action we have taken on opinions of Parliament and the procedures by which two years ago we asked for a system of consultation to be instituted and further developed.

**President.** — I call Mr Lautenschlager.

**Mr Lautenschlager, rapporteur.** — (D) Mr President, I am sorry to have to ask to speak again. I must clear up a misunderstanding which I have clearly not been able to do yet.

There is no question of the Commission's appearing before Parliament in every case when a proposal is withdrawn. What we are concerned with is the content of the Communication from the Commission to the Parliament to the effect that it intends to withdraw a proposal. When Parliament has noted the content of the communication, it can always decide whether the matter is important or unimportant in its view. But if a matter is of great political importance — and the withdrawal of a proposal may be of such importance — then Parliament must be heard again. This in no way encroaches on the dignity of the

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Commission, and Parliament would be safeguarding its rights without any mutual recrimination.

I therefore appeal to the Commission to respect the fact that Parliament must safeguard the few rights which it has. It cannot give up one iota of them.

**President.** — Ladies and gentlemen, it is not for the Chair to intervene in a debate, even when it raises questions of such interest as the position taken up by Mr Ortoli, which implies — a point worthy of the closest attention — that the withdrawal of a proposal by the Commission deprives the Council of all opportunity of discussing the matter — a point on which I have my doubts. I would also cite the question, raised by the Commission, how to project Parliament's rights to concertation when urgent questions of fundamental importance are at stake, in view of the correspondence which has taken place between Mr Scelba, on behalf of the Parliament, and Mr Scheel, on behalf of the Council.

These are difficult questions which have not been treated exhaustively in this debate and on which I shall not express any views. I can but mention them.

Does anyone else wish to speak?

We shall now consider the motion for a resolution.

I have Amendment No 1, tabled by Mr Rivierez on behalf of the Group of European Progressive Democrats, replacing the entire motion by the following text:

*'The European Parliament,*

- having regard to the decision of the Commission of 28 April 1976 to withdraw some of its drafts and proposals to the Council,
- bearing in mind that the European Parliament has delivered an opinion on these proposals,
- having regard to the opinion delivered by the Legal Affairs Committee on 26 January 1976 for the enlarged Bureau on the further consultation of the European Parliament on proposals amended or withdrawn by the Commission,
- taking account of the statement made by the Council to the Parliament according to which when an amended Commission proposal is submitted after an initial consultation of the European Parliament, the latter should be consulted for a second time if the amendments go beyond the material content of the original proposal,
- having regard to the judgment of the Court of Justice of the European Communities of 15 July 1970 in the case of ACF Chemiefarma, to the effect that a modification to the Commission's original proposal must affect the substance of this proposal for Parliament to be consulted again,
- having regard to its resolution of 17 October 1967 in which Parliament demanded that it must be 'consulted on all the main provisions of those texts' even if to this end several consultations on one and the same text were necessary,

- drawing attention to the existence of the conciliation procedure between the European Parliament, the Council and the Commission, instituted by the joint declaration of 4 March 1975, which permits a genuine participation by Parliament in the procedure for preparing and adopting important Community decisions which give rise to expenditure or revenue to be charged or credited to the Communities,

- noting that the Treaties establishing the European Communities contain no express provisions on the withdrawal of proposals,

1. Notes that the submission of a proposal from the Commission to the Council in itself gives a legal status to the proposal;
2. Declares that this resolution concerns only instances of amendment or withdrawal, by the Commission or the European Communities, of one of its proposals
3. Recalls that, after having consulted Parliament on a Commission proposal, the Council, as a decision making body, is not bound, if it then modifies the proposal, to consult Parliament again;
4. Considers that a distinction should be made between the modification and the withdrawal of a proposal

*As regards modification:*

5. Considers that 'modification' should be understood to mean a substantial change, i.e. a modification which affects the substance of the proposal considered as a whole;
6. Declares that once the Council has consulted either compulsorily or optionally the European Parliament on a proposal submitted by the Commission, the Council's consultation of Parliament runs until the Council has taken a final decision on the proposal in question; this interpretation gives the European Parliament the right to deliver an opinion at any time on any modifications made by the Commission to its proposals;
7. Therefore proposes that in future each of Parliament's opinions should contain a limitative clause worded as follows: 'This opinion of the European Parliament is given without prejudice to any subsequent opinions in the event of the Commission substantially modifying its proposal';
8. Recalls that the European Parliament is always free to draw up an own-initiative report on a specific subject on which it has not been consulted;

*As regards withdrawal:*

9. Considers that the Commission's withdrawal of one of its proposals before the Council has acted forms part of its right of initiative;
10. Notes, however, that since the withdrawal of a proposal can be of considerable political importance, the European Parliament has undoubtedly the right to express its views on such a step;
11. Declares itself in a position to exercise its control in a suitable manner by means on the one hand of the written and oral questions procedure (Articles 140 EEC, 23 ECSC, 110 EAEC) and, on the other, the possible use of the motion of censure (Articles 144 EEC, 24 ECSC, 114 EAEC).

I call Mr Kaspereit.

**Mr Kaspereit.** — (*F*) Mr President, you have just said that we are considering an extremely interesting and difficult problem. It is probably because of that very difficulty that the Group of European Progressive Democrats has formulated a new motion for a resolution, for we believe that the motion, in the form in which it has been submitted to us, takes no account of the opinion given by the Legal Affairs Committee to the Bureau on 26 January 1976 and approved by the group through its spokesman, Mr Rivierez. We consider that this motion lacks clarity, is incomplete, contradictory and in some respects even misguided, if I may so so without wishing to give offence to anybody.

The present motion is incomplete, since point 2 makes no mention of an instance in which Parliament may deliver its opinion when consultation is not obligatory under the Treaty.

It is contradictory and unclear in point 3, which states that the right thus created in favour of Parliament remains in force in so far as the proposal is adopted without amendment. What does this mean? Does it mean that Parliament is entitled to deliver different opinions as long as the proposal has not been amended — in other words, on an identical text? It is difficult to see the reasons for which our Assembly might change its mind. Is this an allusion to the changes which the Council is entitled to make after consulting, if necessary, the institutions concerned? This eventuality is not relevant here and in our view should not be dealt with in this context.

Point 5 of this motion seems rather misguided to us in that it equates withdrawal with an amendment, while point 6 gives the Commission a power to which it is not entitled.

Finally, this motion takes a mistaken view of the powers of Parliament and weakens its authority instead of strengthening it.

We have therefore formulated a new motion for a resolution with a view to clarifying matters and putting an end to the uncertainties which this text is liable to create.

In the recitals, it would be desirable to refer to the opinion of the Legal Affairs Committee to the Bureau in this matter, to the *Chemie und Farma* judgment of the Court of Justice of the European Communities, which also deals with this question, and to the consultation procedure established by the joint declaration of 4 March 1975, which applies when amendments are made by the Council.

While it is true that the simple forwarding of a proposal from the Commission to the Council gives that proposal a legal capacity of its own, it would be more exact to say that forwarding creates obligations and rights for the Community institutions. Let us be clear about it: this report deals only with the amendment by the Commission of one of its proposals or withdrawal of such a proposal. First of all a distinction

must be drawn between amendment and withdrawal; they cannot be equated without overlooking their difference in kind and the different procedures which exist.

The Commission may at any time make amendments to its original proposal as long as the Council has not acted (Article 149, second paragraph, of the EEC Treaty). In practice Parliament has been consulted again after the Commission has modified its proposal. Everyone agrees that it is normal for Parliament, once it has been consulted on a text, to be consulted again if that text is amended before its adoption by the Council.

But is there any need for a new official referral by the Council? We do not think so. We are not dealing with a new proposal but simply with the same proposal which has undergone amendments.

It is therefore logical and easy to conclude that until the Council has acted reference to Parliament still stands, and the latter may pronounce on any amendment made by the Commission. We therefore propose that each opinion of the Assembly should embody the following clause: 'This opinion of the European Parliament is delivered without prejudice to the possibility of a further opinion if substantial amendments are made by the Commission to its proposal'.

The question now arises of defining what is meant by amendment. We do not, of course, refer to simple formal amendments or to the adoption of amendments proposed by Parliament. The *Chemie und Farma* judgment of the Court of Justice clearly shows that the amendment must be substantial, i.e., affecting the substance of the proposal as a whole.

The Commission is always entitled to withdraw a proposal as long as the Council has not yet adopted it. Such proposals may be of great political importance, and it appears desirable for the European Parliament as well as the Council to be able to make their views known. By equating withdrawal with an amendment, the rapporteur diminishes the role of Parliament by simply allowing it to deliver an opinion, whereas in law it has a controlling right in respect of withdrawal through well-tried procedures of written and oral questions. There is nothing to prevent the European Parliament from introducing a motion of censure if it considers that the Commission is wrong to withdraw one of its proposals.

Mr President, I have presented my amendment at some length, but my speech has been too short to explain the implications of the text presented by the Group of European Progressive Democrats.

We must be reasonable. I doubt whether this amendment can be adopted without a long discussion. But I do not know whether Parliament will have the necessary time in plenary session. If, as I readily understand, it cannot be adopted after a short debate, the whole matter should be referred back to the committee responsible.

**President.** — I call Mr Lautenschlager.

**Mr Lautenschlager, rapporteur.** — (D) Mr President, with this short motion for a resolution, my intention was to open a discussion with the Commission and Council in order to reach an agreement. The discussions in the Legal Affairs Committee already showed that such an agreement could not be reached in the context of this debate. I therefore did not consider it appropriate to present an extensive motion for a resolution, because even the fullest motion could not reconcile the existing contradictory views. Adoption of this motion should open a dialogue between the institutions with a view to solving the outstanding problems.

I therefore propose that the House should reject Mr Rivierez's well-meant amendment, not because of any flaws in its content or because it is undesirable, but because it does not provide ground for a dialogue between the institutions on the lines I have just mentioned but already lists the points at issue and those remaining to be solved in future. I could extend Mr Rivierez's motion by at least another ten points, but that would not help matters.

I therefore request the House to reject Mr Rivierez's motion. I do not consider reference back to committee opportune. The committee has already discussed every aspect of the matter. The discussion must not now take place within Parliament but between the three institutions.

**President.** — Has the committee had an opportunity of expressing itself on Mr Rivierez's amendment, which is rejected by the rapporteur?

**Mr Lautenschlager, rapporteur.** — (D) Mr President, this motion by Mr Rivierez was not presented to the committee in this form, but a number of oral amendments were put forward and rejected by the committee for the reasons which I have just stated.

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

I put to the vote the original motion for a resolution, subject to the corrigendum which accompanies the text.

The resolution is adopted.<sup>1</sup>

#### 6. Change in the agenda

**President.** — I propose to the House that we now proceed to the debate on Mr Deschamps' report.

Are there any objections?

That is agreed.

<sup>1</sup> OJ C 259 of 4. 11. 1976.

#### 7. Results of UNCTAD IV

**President.** — The next item is the report by Mr Deschamps, on behalf of the Committee on Development and Cooperation, on the preparation, conduct and outcome of the fourth United Nations Conference on Trade and Development (Doc. 333/76).

I call Mr Deschamps.

**Mr Deschamps, rapporteur.** — (F) Mr President, the Committee on Development and Cooperation considered it appropriate for Parliament to hear a report and adopt a number of resolutions on the preparation, proceedings and results of the 4th United Nations Conference on Trade and Development held last May in Nairobi.

Mr President, I believe your committee was right to want such a report because, while UNCTAD is an agency of the United Nations, it has nevertheless quite clearly become an international forum for confrontation of the views of the developing and industrialized countries on development and trade. This conference formulates priorities and determines the essential features of development policy in this area. Consequently, the committee and I myself felt that, in future, governments, international institutions and especially a Community such as ours, could not pronounce on questions relating to development without at least referring to the guidelines laid down at Nairobi and to the ongoing work of UNCTAD.

We must be clear on this point. UNCTAD is at present basically a catalyst of world public opinion on the principal ideas in the sphere of development and cooperation. Its aim is to formulate the priorities of this policy. Its role is to record the progress made in this area at the level of those bearing political responsibility rather than to adopt immediately binding resolutions. UNCTAD does pass resolutions and lays down guidelines. It recommends solutions. Through encounters between those primarily concerned it seeks to unify points of view, leading later on to action often in other international bodies.

Mr President, certain difficulties sometimes arise in interpreting the results, because some people would like those results to be something which they cannot at present be but will perhaps one day become — namely, elements of action, decisions which can be immediately applied and enforced. UNCTAD at present is part of a continuous process, a forum at which points of view can be compared and guidelines or programmes drawn up.

## Deschamps

Of course a number of criticisms have been made of UNCTAD, often relating to certain shortcomings inherent in the actual structure of the conference. Let me list a number of them.

Firstly, since the conference is an agency of the United Nations it is rather cumbersome because of the very large number of participants and speeches. At UNCTAD in Nairobi there were one hundred and forty speeches, which were in effect monologues before the conference could get down to concrete and practical work; that is an amazing situation. There is also a very large number of officials and, without casting any doubt on their zeal, their number is sometimes rather excessive. Finally, the procedures applied are often better adapted to political deliberations in the United Nations and do not take sufficient account of the methods of analyses and negotiation which have proved successful in the economic and commercial sectors which, after all, represent the central feature of the work of UNCTAD.

A second, frequent criticism is that, by structuring the participants in advance into geographical groups, positions have been crystallized — or, as some would have it, radicalized — before discussion has even begun at the Conference between the developed and developing countries; this crystallization has been described as harmful because it lessens the possibility of reaching agreement.

Thirdly, UNCTAD has been criticized for its universal character; the fact that so many countries are involved should not mean that each of them can, as some tend to do, open a discussion of any subject whatever; nor should all the solutions which may be adopted assume a worldwide character.

The fourth criticism applies to the duration of the proceedings. Of course — I would remind you of the basic point I made just now — there is no question of drawing immediate conclusions but simply of preparing and guiding the work of a commission which is continued by a board, sub-committees and specialized bodies; this commission lays down a timetable for the implementation of a number of guidelines fixed at the general assembly held every three or four years.

One final objection is often heard: what is the point of holding a general debate which takes up a great deal of time and, as I have already pointed out, consists often of monologues? Some of these criticisms are certainly well-founded and they are made more often than not by people who are familiar with UNCTAD, its organization and machinery.

Unfortunately, I must also point out that, although four UNCTAD sessions have already been held, the observations made on each occasion do not seem to have brought about much progress in the organization, procedure and effectiveness of the conference.

Are those critics then justified who despair of UNCTAD and attach only a minimal importance, if any, to its work?

Your rapporteur does not think so and the Committee on Development and Cooperation agrees with him. Despite its heaviness, its gigantic scale, its methods, which are sometimes excessively formal, and its system of groups, UNCTAD performs a useful task and fills a gap which needed to be filled; it achieves results which, without it, would not be achieved in the area of development cooperation.

If UNCTAD is to be maintained as a point of encounter and a forum for confrontation of viewpoints and ideas and above all for the developing countries as an instrument of permanent pressure, thanks to a secretariat which is — and makes no bones about the fact — highly committed, which puts forward practical studies and proposals, it would certainly not be appropriate to lose interest in the body or believe that its shortcomings deprive it of all effectiveness. But, as I have already said, for the time being at least we must not try to present UNCTAD as an instrument of binding decisions, which is not its role. In my view the time is not yet ripe for that.

The misrepresentation of the true scope and possibilities of UNCTAD is important. We must try to assess the results. But what is more serious is that, in the absence of any agreement on the objectives and resources of UNCTAD, harm may be done to an organization which is of real value and does not deserve to be attacked from several quarters for reasons which are often contradictory.

UNCTAD has already worked very well in the general area of development. Irrespective of the concrete results already achieved through the activities of its various bodies — the conference, the board, the principal committees and the numerous working-parties — substantial, if less visible progress has been made towards bringing views closer together on the adaptation of national and international economic policies to the needs of the developing countries.

Contrary to certain assertions, each of the conferences and major meetings of UNCTAD has led, at the international level and in terms of development policy, to practical conclusions which have influenced the problem of world development. In Geneva a common objective was laid down; the volume of aid which each developed country was to provide to the developing countries was set at 1% of national income. Subsequently a target of 0.70% by way of public aid was fixed for each developed country. This target laid down by UNCTAD has been achieved by many countries and all are working towards it.

At the second conference, in New Delhi, a study was made of the commitments by the developed countries to grant generalized tariff preferences to the developing nations. This again is not a programme which

## Deschamps

UNCTAD itself is implementing; GATT has put most of the decisions into effect, but it has done so in accordance with the guidelines laid down at New Delhi.

At Santiago, the developing countries were recognized the right to participate fully in consultations on reform of the international monetary system and in multilateral trade negotiations; hitherto, despite their growing share of economic activity, the developing countries have been practically excluded from the major monetary and commercial negotiations. Thanks to the guidelines laid down by UNCTAD in Santiago, this joint position has had to be considered at international economic and monetary conferences.

In addition to bringing results in regard to the general strategy of development policy, the UNCTAD meetings have led to a better understanding by the governments, and to some extent by public opinion in the developed countries, of the scale and urgency of the problems to be solved; a new feeling of collective responsibility has been created. This is an extremely important and positive result.

There is now not one developed country which does not attempt — although in my view still far too imperfectly — to take account of the needs of world development by formulating its own economic policy, in particular in the areas of trade and aid, as a function of the decisions taken in UNCTAD.

Having said that, and I have in mind the objections made by some of my colleagues, in particular Mr Broeksz, the present situation is certainly not satisfactory, but it must be recognized that the shortcomings are not attributable to UNCTAD, just as conflicts in the world cannot be attributed to the lack of power in the United Nations. No international organization can represent anything more than the collective resolve of its members. But we all agree that there is at present a distinct lack of such collective, political determination.

If the developed countries do not decide to make far greater allowance for the real and fundamental interests of the Third-World nations in elaborating their own economic, agricultural, social, financial and monetary policies, if they are not resolved to increase the volume of their aid and technical assistance and if they are not willing to increase substantially the amount — still far too small — of their imports from the developing countries, despite the problems which exist and the precautions required, the developing countries must inevitably experience slower rates of growth and continue to incur excessive and, to my mind, scandalous debts with all the implications this will have for world economic relations. This seems a vital point to me.

But I want my report to be impartial — the committee agrees with me in this — and we must

remember that if the developing countries for their part do not decide among their other action programmes to remedy situations which prevent the productive employment of available manpower and of idle or fugitive capital, and if they fail to take effective measures to distribute income more equitably within their own countries, then external assistance, whatever its scale, importance and nature, will be quite unable to bring about a substantial improvement — 40 % on average according to the calculations — in the living conditions of the underdeveloped countries whose populations are, beyond any shadow of a doubt, living below the acceptable social minimum.

In other words, a coherent international development policy must necessarily stimulate and coordinate the efforts of both sides — the developed and the developing countries. This holds good at the level of UNCTAD as it does for all other organizations concerned with economic development.

Having thus looked at the general aspects and the importance and role of UNCTAD, let me now remind you what happened at the 4th UNCTAD session in Nairobi.

Firstly, the meeting was prepared for the developing countries at Manila by a meeting of the group of 77 which ended on 7 February; this preparation resulted in what has become known as the Manila Action Programme, which was unanimously adopted and was to serve as a basis for the proceedings in Nairobi. It contains an analysis of the results achieved since the international development strategy was initiated and a detailed analysis of the economic situation of the developing countries.

As far as the least advanced countries are concerned — here I think the diagnosis is unanimous — the situation has deteriorated substantially since the last UNCTAD meeting. The developing countries attribute responsibility for this — and we must recognize the objectivity of many of these countries — to the world situation and in particular to inflation, but also to the industrialized countries, whom they criticize for reverting to certain protectionist trends, and finally to the behaviour of some multinational companies. This led to the Manila decision for all the developing countries to pursue joint and combined action based on a statement of precise, unified positions, with a view to achieving concrete aims in the various spheres of cooperation.

For the European Community, the Commission prepared Community positions for UNCTAD, in particular by submitting two communications to the Council on this subject. I wish to pay tribute to the work done not only before UNCTAD began but above all during its proceedings by the members and officials of the Commission. I want to pay especial tribute to Mr Cheysson and also to the whole Commission and its President, Mr Ortoli.



## Deschamps

However, I am obliged to point out that this effort was not, in my view and in that of the Committee on Development and Cooperation, sufficiently extensive and did not lead in time to decisions which would have enabled the Community to go to Nairobi with firmly established positions and to play a far more effective role than it did at the conference.

Following the work of the Commission and its two reports, the Council of Ministers looked into this question. It did not consider the work done by the Commission's services until 3 and 4 May. In the light of the dialogue in the UNCTAD trade and development committee, it was only able to draft an extremely vague communiqué — but unfortunately the communiqués of the Council are all too often vague.

As Mr Thorn, the Council representative, pointed out here in answer to a question by Mr Cousté and several ancillary questions put by other Members and myself, the delegations from the Nine failed to reach agreement on certain points. It was only in Nairobi that the President of the Council and the Representative of the Commission formulated, on behalf of the Community, the general declarations whose texts were published the same day in Brussels. Let me remind you that the Nairobi conference had already begun on 3 and 4 May. Clearly agreement could not be reached on a great many points. We alluded to this fact in one of our resolutions, regretting the lack of a common political will which prevented the industrialized countries, and in particular the Nine, from adopting a position in advance.

As I have already pointed out in this Chamber, it was thanks to the personal ability of Commissioner Cheysson and President Thorn that the Community was able to put forward valid positions approximating as closely as possible to those of the developing countries.

The main themes touched on at Nairobi were, as you know, the integrated programme and the common fund, the problem of debt-levels and the transfer of technology. On each of these points, the results achieved were essentially compromises. But there were also precise programmes of action giving certain tasks to specialized international agencies, the North-South conference for problems of debts, the UNCTAD Board in respect of the transfer of technology, and specific new agencies for questions relating to the integrated programme and the common fund.

I consider it important that these guidelines were laid down, that everyone agreed on the need to study the integrated programme and the common fund, even if restrictive declarations were made by certain major countries such as the United States, the United Kingdom and Federal Germany. The decisions on these studies and the programme for them have been

drawn up. These are extremely important results. The Committee on Development and Cooperation wanted them to be recorded in a series of resolutions, the first of which seems particularly important to me because if the EEC played an important, although inadequate role, it was only able to play the role, legally open to it at this conference, where it only had observer status.

In its resolution Parliament expresses the hope, as it has done on several previous occasions, that, at the next UNCTAD session, the Commission will be able to play a more active part so that we can open a genuine dialogue with it.

Mr President, I come now to my conclusion; on the basis of the decisions taken at UNCTAD and on the basis of the programme drawn up by it, we want in this Chamber to provide a stimulus to the whole development policy.

The three central themes of the programme drawn up in Nairobi imply a constant evolution. It is up to us to make sure that the time-limits are respected and that the guidelines laid down in Nairobi under these three points are followed. I believe, Mr President, that by reporting on this conference and adopting the resolutions which I hope Parliament will be able to vote unanimously — as the committee did with one abstention — remembering that we already have the panorama of development cooperation prepared by Mr Cheysson, and the report by Mr Bersani on our general development policy, we are recognizing the real importance of constant action which is effective for both the developed countries and their developing neighbours.

*(Applause)*

## IN THE CHAIR : MR MARTENS

*Vice-President*

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

**Lord Walston.** — On behalf of the Socialist Group, I am happy to congratulate the rapporteur on a very valuable, painstaking and informative report, and to support, in principle, all that he says in it. In particular, I draw attention to three paragraphs in the motion for a resolution. The first paragraph

Emphasizes that UNCTAD, for all its faults, is the world's major forum for the discussion of questions relating to development, and therefore hopes that the EEC will not be limited to an observer's role

I emphasize the words 'for all its faults', to which I shall return shortly.

The second paragraph

Regrets that the Member States and the EEC itself on the basis of a common political will did not prepare UNCTAD IV in the same depth as the Group of '77' ..

## Lord Walston

### Paragraph 6

Affirms the need to improve the real income of the developing countries by increasing their export earnings and by protecting them against wild and excessive fluctuations in these earnings.

These three paragraphs seem to me to be the most important of a series of very important resolutions. One of the faults of UNCTAD IV from the point of view of the Community was that the Community was not able to speak with one voice. We all know the reasons for that and I shall not elaborate them. Although we cannot appear at UNCTAD as the Community — we have to appear there as individual countries — that is no reason why we should not, in advance, get together and prepare a common policy for occasions such as this.

The second fault that arises from UNCTAD IV in Nairobi is obvious. It must not be allowed to develop — as I am afraid it did in Nairobi — into an occasion for confrontation between the rich and the poor countries. Rather, it must be what its founders originally intended it to be — that is, an opportunity for further collaboration between them. In fact, owing, as Mr Deschamps rightly pointed out, to the admirable work of Mr Cheysson and his colleagues, including President Ortoli, the Community has made considerable progress in the field of collaboration with the developing countries — not with all of them at this stage, although it is spreading the whole time, but in the initial stages restricting itself to a more limited number of the poorest countries.

Because of that, very good relations have been established with many of these countries. Not only has actual practical help been given to them; it has been possible, largely owing to the personality of those engaged in this operation, to establish a personal understanding, which, particularly in the smaller developing countries, is of vital importance.

This is something — a valuable foundation — which we must build upon and create a proper superstructure, and UNCTAD is one of the methods which we can use in this process. As the report points out, UNCTAD is a continuing operation — not something that happens just once every four years: there are the officials, who are continually working, and that is where most of the work is done. Nevertheless, these periodic meetings are a form of shop-window. If one is going to have a shop-window, if one is going to have an exhibition for the public every four years, one must prepare for this if one is to make the right sort of impact. That is what we in the Community and in our individual countries must start to do now for the next UNCTAD. Because we failed to do that, we did not make the impact we should have done at the Nairobi meetings.

I suggest that first there should be, starting from now, consultation and agreement between all partners in the Community as to the general form of policy and

strategy that we should adopt towards the developing countries. In this respect, the Commission is of enormous value to us.

Secondly, an outline agreement having been reached, there should be consultation with the individual countries of the Community and, through the Commission, with selected developing countries so that we can, without the glare of publicity, work out with them quietly and realistically those areas of priority which we consider to be most important, those areas where we have the capability of helping them and those areas where their need is greatest. In that way we can reach a form of outline agreement with these selected individual countries.

Thirdly, when the next UNCTAD comes along we shall be in a position to announce on behalf of the Community or the West — or, indeed, on behalf of whatever grouping one wishes to suggest, but I hope that it would be the Community — what we propose. We shall know then, because of the preliminary work we have done behind the scenes, that this will be accepted and welcomed at least by the leading members of the developing countries.

We have done quite a lot. Our record is not one of which to be ashamed. But, of course, we have never done enough and we shall never do enough. Therefore, we as individual parliamentarians here must continue to press our own governments — in spite of the economic problems which are very great in our own countries but which are relatively small when compared with the economic problems of many of the developing countries — to do more. Indeed, we must do more than that, because it is not just the governments which issue an edict; they are governed by their parliamentary majorities, and the parliamentary majorities are controlled by the electors. Thus, as parliamentarians we must also explain continually to the voters of our own countries, to our own people, why this work is necessary — why it is necessary on economic grounds, why it is necessary on strategic grounds, why it is necessary for world peace and why it is necessary on moral grounds.

Those are the jobs which fall upon our shoulders. I am afraid few of us fulfil them as we should. We ought also to realize in our own minds that we must make it clear to those to whom to talk that to help others adequately — whether they be individuals, groups or countries — can never be a painless job. If we are to raise standards of living as we set out to do — and all the fine words spoken by our representatives and our ministers at Nairobi and elsewhere make this clear — if we are to help the poorer countries to raise their own standards of living, this can be done only with some sacrifice to our own standards. The operation will not be entirely painless. It is for the peoples of our countries, the peoples of the Community, to decide just how much sacrifice they are prepared to make.

**Lord Walston**

We ensure at the next UNCTAD that, by reason of the preliminary work of the type I have outlined, UNCTAD will in future be used to further practical collaboration between the rich and the poor countries rather than being used as a means of a political confrontation between North and South.

*(Applause)*

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

**Mr Boano.** — *(I)* Mr President, it is not as a mere act of courtesy that I want to congratulate Mr Deschamps for the passion and commitment with which he has approached these problems throughout his life, and for a report which does not confine itself to the obvious aspects of the problem but seeks to deal with specific themes such as that of a greater presence. In his capacity as rapporteur, he regretted that he was not able to attend the proceedings in Nairobi. I would like to remind you that a few months ago, in August of this year, when another key meeting, that of the non-aligned countries, was being held in Colombo, the Community was not officially represented, although countries such as Austria, Finland and Sweden had official delegations there. Those are highly respectable countries, but their interest in these problems is less than ours.

On reading this report, I would say that if there is a reason for regret it is that, because of the typical procedural slowness of our institutions, we are only discussing that UNCTAD conference now although two other significant events have occurred in the meantime: the meeting of the non-aligned countries in Colombo in August and, just one month ago, the conference on the development of economic cooperation between the Third-World countries, the 'group of 77', at Mexico City; these two events were highly important, not so much because of the emphasis placed at them on promising, if difficult, ideas, such as the creation of a monetary unit or a common bank for the developing countries (in this connection we Europeans are particularly aware of the difficulties, so far insurmountable, experienced by a smaller number of countries are incomparably more integrated), as for the greater awareness of the developing countries that their economic take-off is above all an internal matter for them to resolve which must be explained in a broad and coordinated unity and solidarity of intent if the industrialized nations are to recognize the need for it.

As an example of this new frame of mind in the developing countries — a more flexible and practical outlook — I should like to remind you of the decisions taken in the trade sector at Mexico City: the introduction of a system of generalized preferences between the developing countries, joint marketing of

exports, the intention to join forces to effect major purchases under more favourable conditions and the creation of multinational companies to look after the marketing of products in the developing countries.

This is proof of a more flexible and realistic outlook which, to my mind, is necessary if relations between the developing and industrialized countries are to be placed on a more fruitful basis, free from exaggerated hopes and polemics.

This new climate might perhaps have led us to remove from the Deschamps report the reference to the 'new economic order', as so as to restore a sound logic instead of a biased and virulently polemic slogan. This slogan was coined in 1974 under the shock of the oil embargo and subsequently codified in the Charter of rights and duties of nations adopted, already behind the trend of events, at the UN special session on 18 September 1975. This Charter seems to grant the developing countries, when dealing with investments made by industrialized countries, a right of expropriation without compensation. Moreover, it generalizes a unilateral and anti-historical conception that reparations are due by the peoples of Europe to the ex-colonies. These views were not accepted by the Community and the individual Member States and could not objectively be accepted without the risk of seeing a further fall in investment in the developing countries. On the other hand — and this brings me to my conclusion, Mr President — I fully agree with point 4 of the resolution, which states that 'unsatisfactory internal structures cannot be modified by international measures alone but require a greater striving for justice within the countries themselves.' There, is in fact, a glaring contradiction between the repeated appeals for greater justice at world level by many leading Third World figures, and the total disregard of this requirement in a number of countries. In its action, the Community must not overlook this fact; it is a moral requirement and a question of freedom and I am grateful to Mr Deschamps and the Commission for having the courage to recognize it.

*(Applause)*

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

**Mr Berkhouwer.** — *(F)* Mr President, I am deputizing for Mr Krall, who could not leave Bonn.

On behalf of my group, I welcome Mr Deschamps' motion for a resolution and confirm our intention of participating actively in the solution of the problems raised by the 4th world conference on trade in Nairobi.

We European Liberals want the forthcoming preparatory negotiations with the developing countries to be inspired by the following principles:

**Berkhouwer**

1. An equitable struggle by the developing countries to achieve a better and more just social balance must be the major principle of our development policy.

2. The recent past shows specifically that this balance can only be achieved and the world economic crisis solved by defending economic freedoms in the world.

3. For us this means in particular, with reference to the policy on primary commodities, that in the long term supplies of these commodities must be assured to the industrialized countries and stable earnings guaranteed for raw-material exports from the developing countries.

4. It is unfortunately all too often forgotten that a policy on raw materials is no more important than the transfer of technology from the industrial nations to the developing countries; this transfer must go hand in hand with the opening of our markets to the products of those countries.

5. We accord especial importance to the question of the growing level of debts of the developing countries, particularly the least favoured among them which have no raw materials of their own but at best tropical or sub-tropical products. We want to see extensive measures to consolidate these debts by granting public credits to the poorest countries. In our view, a general conference on the consolidation of these debts is not necessary to achieve this aim.

In point 5 of the resolution, the notion of a 'new world economic order' may give rise to misunderstandings. We, in the Liberal Group, oppose measures of state control in the trade sector and can only endorse a formula which accords with the principles of a market economy. We favour cooperation with the developing countries and oppose all forms of confrontation. Mr President, we prefer the notion of interdependence to that of confrontation, aware as we are of current developments in the world. In our view, the trend is from dependence to independence and from independence to interdependence.

Mr President, we are most grateful to the rapporteur and, subject to my last remark, my group approves the motion for a resolution.

*(Applause)*

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

**Mr Laudrin.** — *(F)* Mr President, may I first put a small mathematical problem to you?

There are six of us who have to sit in this row. But there can only be five chairs. I have explained this difficulty to the ushers, who could not find a solution; I now put it to your authority.

I am aware that my personal affiliations would allow me to sit with the Christian-Democrats without surprising anyone, but since I am a member of the Group of European Progressive Democrats, I prefer to sit where I belong.

*(Laughter)*

**President.** — Mr Laudrin, I promise to do all I can to meet your wishes.

**Mr Laudrin.** — *(F)* Mr President, UNCTAD clearly constitutes the greatest forum in the world today for discussing the concerns, difficulties and needs of the developing countries and cooperation with the industrialized nations.

Unfortunately, we, like the other political groups and in particular Mr Deschamps, noted that the preparation of the proceedings and the conclusion of this conference were not as satisfactory as we might have hoped. The organization of the proceedings and the results obtained certainly give no grounds for enthusiasm and euphoria. The press has spoken — depending on whether it observes with a right or left eye — of a half-success or half-failure of the Nairobi conference. The President of the Council and the Commission have stated that the press comments were too pessimistic, but they were unable to hide their own disappointment, in particular over the problem of the level of debts of the developing countries, which was only touched on briefly.

A few months have passed. Passions have cooled and the rapporteur feels that we can now try to draw certain conclusions.

First of all, we must condemn the attitude of the Community in this matter. It did not live up to the hopes placed by the 77, or now 144 countries, in Europe. The Member States were divided more often than they were united. The Community was not able to participate in the final negotiations as a body but only through its 9 Member States whose views were divergent.

The problem therefore arises of knowing how we could intervene credibly face to face with the countries of the Third World in the North-South dialogue, where the Community speaks with a single voice, whereas in other bodies such as UNCTAD it sometimes speaks with nine discordant voices. Action must be united, coordinated and bold if it is to be effective. We therefore appeal to each of our governments to allow the Community to defend their interests and positions.

At a time when the elaboration of a new world economic order is a matter of priority and we are trying to gain acceptance for more equitable principles for the organization of the world, the Community must do all it can to live up to its role.

We are happy to entrust this responsibility to our excellent Commissioner, Mr Cheysson, who always speaks with great authority in all international forums.

If we are a little disappointed for the time being it is because we were expecting decisions and not the

**Laudrin**

evidencing at a round table of the problems and positions of the various parties. If all the participants had been able to make their programmes known before the meeting, following the example of the developing countries which clearly revealed their intentions at Manila, the discussion could have taken a much more practical turn and perhaps certain aims would have been achieved.

Nairobi is now in the past, but UNCTAD as an organization continues to function, and we have some hope of seeing a new world economic order established in which, instead of simply solving economic problems of regulating stocks, prices and the transfer of technology, people will work towards the construction of a more equitable and peaceful world.

The resumption of the conference on international economic cooperation involves the placing on the agenda of the committee on development and financial affairs of the serious problems of the debt-levels of the developing countries, and on that of the committees on energy and raw materials, problems of improving and safeguarding the purchasing-power of revenue derived from energy exports and exports of primary commodities. We know what this programme is and we know what line should be followed at these international meetings. We cannot prejudge the solutions which will be arrived at, but we hope that a result will be reached at least in part as regards the rescheduling of debts, because, unlike the other committees, the financial committee is entitled to formulate proposals.

We hope that the Community, which favours a lightening of the debt burden, will be able to make its influence fully felt in the privileged context of the North-South dialogue and will thus regain the prestige which it lost to some extent at Nairobi.

In conclusion, I would like to thank our excellent rapporteur, Mr Deschamps, and point out that our group will approve the motion for a resolution, subject to a slight amendment which we have proposed, with other political groups, to point 5.

*(Applause)*

**President.** — I call Lord St. Oswald to speak on behalf of the European Conservative Group.

**Lord St. Oswald.** — As Mr Berkhouwer chose to speak to the amendment, as I understand, which is down in the name of four groups, I am perfectly ready to follow his example in this part of the debate. I will briefly follow Mr Berkhouwer and say that, although I am sure that it is not the intention of the rapporteur to give this impression, the term 'new world economic order' will be misread in certain circles and it is therefore unfortunate that it should remain. I agree with my colleagues in setting down this amendment that rather than have the standing paragraph or passage misread, it would be better to change it.

I cannot claim to be in the inner circles of those who conduct international trade, but my understanding is that this phrase has a particular and unfortunate significance which concerns confrontation rather than collaboration. Therefore, I shall support the amendment when it is put.

**President.** — I call Mr Broeks.

**Mr Broeks.** — *(NL)* Mr President, I gladly endorse the expression of thanks to the rapporteur. He has already heard that we shall be voting in favour of the motion for a resolution.

However, I want to make it clear that some of us were more disappointed by the results of the UNCTAD session in May of this year than is apparent from the motion for a resolution. This disappointment does not, however, apply to the activities of the Commission. I gladly support the words of thanks directed to the Commission; this tribute is certainly well merited. I also subscribe to the wish that the Commission will be present at the next UNCTAD meeting with greater powers and not merely as an observer. But I want to say quite clearly that in my view the Council did too little. The Council had received clear and reasonable proposals from the Commission which were in no way extreme, but it could not, or did not want to, accept those proposals.

Firstly the preparations were left far too late, right until the last minute. We sometimes had the impression that the gentlemen in the Council began their work so late because they knew how difficult it would be to reach agreement, or perhaps even that they could not reach agreement. As a result, it seemed almost to the end that the whole conference would be a failure. Only at the last minute did it prove possible to make a number of proposals which were successfully adopted and gave at least the appearance that something had been achieved at UNCTAD.

It can safely be said that the EEC missed an important opportunity. A united EEC could have controlled the entire conference, pulled America and Japan along with it and unmasked even more obviously the attitude of the Eastern bloc countries to the Third World, which may be summed up as a great many words and no action. As a consequence of all this, a number of important and extremely difficult problems have remained unsolved at the North-South conference.

There is no need for me to ascribe responsibility for this to one country or another. But we in this Parliament and in our national parliaments must fight to ensure that the Nine at long last reach a common position on many of these important points which have been left in abeyance and constantly postponed. Solutions cannot be reached by simply postponing matters; they will be reached if the Nine react at long

**Broeksz**

last positively to proposals from the Commission. This holds good for such important questions as the problem of primary commodities, debts and the transfer of technology.

We cannot escape the fact that we in Europe must in the long run adopt clear positions on these matters. In this sense Nairobi was a landmark. After we had approved the Convention of Lomé the whole Third World followed with great interest the European position, because they knew that in the absence of pressure from Europe to improve matters the initiative would certainly not be taken by America, Japan or the Eastern bloc countries. They are dependent on the good will of Europe.

I believe we should do everything possible to persuade the Council to formulate clear positions on this matter. I do not mean extreme positions; there is no need for me to defend the Netherlands position here. But I would like the Council to know how disappointed we are by its failure to act.

**President.** — I call Mr Sandri.

**Mr Sandri.** — (*I*) Mr President, I too wish to thank the rapporteur for taking account in the final text of this motion for a resolution of the opinions expressed in committee by a number of colleagues. But above all I wish to thank him for the document he has submitted, which is characterized by a wealth of information, bibliographical references and judgments.

While welcoming the report, I would like to make a few remarks on certain specific points. First of all, I share the assessment of the Nairobi conference contained in the resolution. It is not possible to claim by any stretch of the imagination that this conference was a success, because its results were far too meagre. But I do not think disappointment is justified, because basically the expression of disappointment at the Nairobi conference suggests that it was expected to work a miracle, which was, and remains, impossible.

Nairobi was not a failure; it is the reality of the relations between the developing countries and the highly industrialized nations which has failed, being as they are extremely precarious and fragile. In other words, the Nairobi conference did no more than register existing trends.

The report rightly stresses as one positive result the fact that certain valuable ideas were defined and are making progress.

May I remind you that the idea of setting up stocks to regulate the price of raw materials, which gained ground at Nairobi, was put forward for the first time by President de Gaulle in 1964 during a visit to Latin America. Ideas make relentless progress, they encounter serious obstacles but end by gaining accep-

tance. That is what happened with this particular idea at Nairobi.

However, we cannot be content with this. We must look at the reality of relations between the developing countries and the industrialized nations. That reality is characterized by a number of phenomena to which I want to draw the attention of the Assembly.

First, there is a trend in the West to try settle problems in this sector within the Western countries and then put ready-made solutions to the developing nations. The report by Mr Deschamps, rightly, in our view, points out what happened in this respect; the impression is given that the Nairobi conference was saved not by a decision taken on the spot but by a meeting between representatives at the highest level of the Federal Republic of Germany and the United States.

Mr Deschamps, while I endorse that particular criticism, I cannot share the criticism which you seem to make of the Netherlands. When the Member States are unable to reach agreement at Community level, one of them must play a leading role. I wish to pay tribute to the open-minded and willing position adopted by the Netherlands in relation to the developing countries.

Secondly, I agree with the report when it stresses that underdevelopment cannot be counteracted solely by measures to improve or reform structures of the international market, but only through the achievement in the individual countries of social orders capable of assuring independence and development. We note that a process is now under way in the Third World — covering an ever-increasing number of countries — in the course of which the destruction of freedoms is accompanied by the restoration of ancient privileges, sometimes on an even greater scale than ever before.

Thirdly, Mr Deschamps, we note that in Nairobi — although discussion of these problems was postponed — the question of the fluctuation of raw-material prices and the problem of debt-levels were pinpointed. At present, while all the discussions have been postponed to the North-South dialogue or to the Geneva meeting next March, we are observing fluctuations, for example, in the price of sugar — it had risen from 0.31 cents to 0.6 cents per pound — which are causing confusion and making drastic measures necessary in some countries (Mauritius and Jamaica, to say nothing of Cuba) which depend on exports of this product and have seen their revenue forecasts cut by four-fifths because of the scandalous fluctuation in the price of sugar. We also observe how these countries are building up a huge burden of debts. Thus reality continues its inexorable progress while discussions on solutions are systematically postponed from one conference to another.

**Sandri**

Finally, I endorse the criticism contained in the report and resolution of the attitude adopted by the European Community.

The Community has certainly acquired undoubted merit by concluding the Convention of Lomé and the cooperation agreements with the Maghreb countries which we shall soon be approving, and which — as we have so often said prefigure a new form of cooperation. However, at Nairobi we saw that while the Community has shown the courage to deal with these problems at the level of regional cooperation it is unable to do so at world level, lacking the political resolve to adopt an independent position *vis-à-vis* the other Western countries and on dealings with the Third World and problems of underdevelopment; in the Third World tensions are building up in the Middle East and Southern Africa (a subject which I believe we shall soon be discussing) which make it necessary for the Community to show political determination, independent judgment and a capacity for action which were singularly lacking at Nairobi.

In this spirit, then, Mr President, we in the Italian Communist Party support the resolution put forward by Mr Deschamps. However, our attitude will depend on the result of a vote on an amendment tabled by a number of colleagues who wish to delete the reference to a new world economic order; if we are frightened by the term 'new world', which is embodied in the United Nations charter, we shall make little progress and there would be no point in approving the motion for a resolution submitted to us by Mr Deschamps.

Our decision which way to vote on this resolution will depend on the result of the vote on the amendment to which I just referred.

*(Applause)*

**President.** — I call Mrs Goutmann.

**Mrs Goutmann.** — *(F)* Mr President, ladies and gentlemen, our debate today on the basis of a serious and detailed report, for which I am most grateful to Mr Deschamps, is of central importance. The fourth United Nations Conference on Trade and Development held at Nairobi enabled partial but positive results to be achieved in the great world struggle against the old economic order founded on the hegemony of the developed capitalist countries.

The 4th session of UNCTAD, like the Colombo conference, bears witness to the firm resolve and strengthened cohesion of the 113 non-aligned countries which want the right to dispose freely of their resources, to enjoy economic independence and to see to their industrial, technological and social development.

Despite all their opposition the Western countries are today obliged to take increasing account of the new balance of forces.

The motion for a resolution now before us recommends in point 7 support for the proposed integrated

programme for commodities drawn up by the 114 in the Manila Charter. If this programme is effectively implemented, it will tend, by setting up a new framework and new mechanisms for trade in commodities, to stabilize and improve the terms of trade of the underdeveloped countries.

Beyond the technical aspects and the economic mechanisms which it sets up, it will enable an end to be put to the existing inequality in the power of negotiation between sellers and buyers, i.e., on one side the many developing countries and on the other the small number of imperialist countries and multinational companies. The overall framework for negotiation on commodities which the integrated programme tends to establish is thus definitely an essential component of a new international economic order which will not be based on imperialism.

But I would like to stress an essential point which was central to the discussions in Nairobi: I refer to the external debt of the developing countries. The external debt of those countries, which is a direct consequence of decades of inflationary pillage of these young nations by the industrialized capitalist countries and their multinational companies, now exceeds 120 thousand million dollars. It has risen by 16 per cent per year since 1965. Interest payments and reimbursements now amount to 12 thousand million dollars per year, or some 14 % of the total exports by these countries.

For the countries which are in difficulty it is therefore essential to lighten the debt burden. At Nairobi the 77 called for overall measures including the principle of partial cancellation, an extension of repayment periods and in some cases a moratorium.

While the most aggressive position on this point was adopted by Mr Henry Kissinger, the EEC countries were his willing accomplices. The USA have tried to dilute the question of the debt of the developing countries into that of the external debt of the major developed countries and to attribute the responsibility for its increase to the sharp rise in the price of oil; hence the rejection by Mr Kissinger of a moratorium and other ways of reducing the debt. He simply called for a case-by-case or country-by-country study of the question. It is worth noting in passing that this position throws light on the revelations made by Helmut Schmidt on the Porto Rico plot designed to 'help' the indebted countries under political conditions dictated by the USA and their allies in the EEC.

It is regrettable that the text of the resolution takes up again the idea of discussion case by case or country by country.

Complicity of the EEC? Mr Gaston Thorn, then President-in-Office of the Council, stated:

Our position is strong and negative, since we consider that a general moratorium would not be in the interests of the developing countries, penalizing those which have

**Goutmann**

repaid and blocking in the future the possibilities for public aid which would be systematically refused by the parliaments of the industrialized countries.

To my mind this declaration is inadmissible for several reasons; first, because the developing countries are not asking for a general moratorium; secondly, because the statement aims at dividing these countries; finally, it is nothing short of an attempt to blackmail them.

During the proceedings the Netherlands and Denmark rejected the position of the President-in-Office by refusing to request case-by-case negotiation, but it is revealing that Canada, Japan, Great Britain and the Federal Republic of Germany supported the negative position of Mr Kissinger and Mr Thorn.

The declarations by the French Minister, Mr Fourcade, deserve especial emphasis; while he apparently wanted to bring about progress, he also showed in Nairobi his desire to consolidate the existing monetary and financial machinery and hence the power given by this machinery to the capitalist countries; he, too, spoke out in favour of a country-by-country approach — and I quote — ‘in all cases which warrant this, when an excessive debt-level jeopardizes the external recovery of a country which is of itself making the necessary effort to remedy its position’. Like the United States, Britain, Federal Germany, Japan and Canada, France does not intend to give up its right to oversee the economic administration of the developing countries. We deplore this fact.

In conclusion, I would like to point out the extent to which these positions seem to me to reflect a resistance to change, a refusal to accept the end of inadmissible privileges and to give genuine aid to all the developing countries to acquire their economic independence and move ahead under a wider, mutually advantageous and non-discriminatory international cooperation.

I shall pass over in silence such revealing declarations as that made by the leader of the West German delegation in Nairobi, for whom ‘lazy people must first become accustomed to working themselves before demanding money which is the fruit of the hard work of another country’.

The reactions of some of our colleagues in this Assembly today in connection with the reference to the ‘new world economic order’ and their proposals for amendments reflect this resistance to change which we deplore. For our part, we shall oppose this amendment.

In conclusion, to return to the motion for a resolution now before us, it seems to me that this Assembly would deserve more credit if, instead of advocating case-by-case consideration of the debts of the developing countries, it clearly affirmed that the realistic and equitable proposals made by the non-aligned countries in this matter represent the foundation on

which negotiations must be continued at international level.

*(Applause in some parts of the Chamber)*

**President.** — I call Mr Cifarelli.

**Mr Cifarelli.** — *(I)* Mr President, ladies and gentlemen, the report by Mr Deschamps seems to me to meet a fundamental requirement in that it uses concrete and serious language instead of the usual idle talk about solidarity, interdependence and other similar concepts on which we all agree any way. Words do nothing to change people’s lives.

When we in this Chamber want Europe to take a particular line of action, it is up to us to define what Europe should do. A ridiculous feature of some of our debates is in fact that we refer to the Council as though it were an entity of its own, while in reality it represents nothing more than the totality of our national policies. If we were to give even a tenth part of the necessary time to these problems in our national parliaments, progress would be made; if we are honest with ourselves we must recognize that our national parliaments deal with all kinds of questions such as local autonomy, economic crises, divorce or abortion, rather than European questions except in special cases where they do nothing but increase the confusion.

As to the case in point — and I am most grateful to Mr Boano for referring to further conferences — we can note a little progress. But, at a time when a further increase in the price of oil seems to have been decided, we must, however we assess that development, recognize that this will have frightening new consequences on the economies of the Nine countries, beginning with Italy; I conclude that it is not easy to speak of solidarity or make general declarations as is done in an infantile or adventurous spirit at certain international conferences.

I believe in particular that the approach to the problem of the debts of the Third World countries has been positive. I would justify this view by an obvious consideration: my own country, Italy, which is beyond any doubt facing serious problems in its own monetary situation, with its balance of payments and credit needs, but nevertheless feels it an honour to belong to the European Community, discusses with the other Community countries its own policy and is often advised to take what may seem hard and austere action. Despite this it does not raise questions of prestige and would be extremely unwise to do so, but treats the problem as one of serious economic policy. This requirement for a serious economic policy is now proving a difficult problem for countries with a long history such as Britain and France, and indeed Italy.

It seems strange to me that we should, through general moratoria or indiscriminate agreements, accept situations in countries of the Third World



**Cifarelli**

where American illusions of democracy and noble dreams which I, too, share about establishing systems of freedom have already given way or are giving way to forms of military adventure, feudal privilege and the suppression of all freedom.

Europe, too, has experienced the concentration camps of Mussolini, Hitler and Stalin and has no right to preach to the countries of the Third World. But when we find that these funds are being used to buy weapons or produce atomic bombs, clearly we have at least a right to ask what are the reasons for the deficit, because we cannot treat on the same footing those Third-World countries which make the maximum effort to construct a balanced economic future and those which on the other hand are gaining new privileges or exploiting the privileges which they already enjoyed in the past and still maintain. I therefore endorse in particular point 4 of the resolution, which honestly recognizes that unsatisfactory internal structures (in the form of tyranny, military dictatorship, caste and feudal privilege) cannot be changed from the outside alone.

It is true that the road to liberty must be opened by the people themselves. But that does not alter the fact that we, too, must respect liberty and assume our duties.

Mr President, it has been said that we should place emphasis on the problems of technical assistance. I agree entirely: I have devoted 18 years of my life to studying the problems of a large, underdeveloped region of the Community, the Italian Mezzogiorno, and I am familiar with the problems of agricultural and industrial development, vocational training and the organization of a region which has a great past to look back on but in this modern age is facing extremely serious problems of depression and underdevelopment.

If we are to move beyond idle talk, technical assistance is not easy to provide; it must be adapted to the requirements of production. Are we, for example, to say to hundreds of thousands of workers in the textile or petrochemical industries of my country that because of technical assistance and the use of raw materials existing in other countries, whole sectors of our industry must be dismantled? Technical assistance certainly creates mature Europeans, but there is a risk of overlooking the present-day reality. I agree that technical assistance must be emphasized, but not as a mere exercise in rhetoric. We must recognize that this is a serious problem to be solved case by case and in which the situation must be assessed by both interested parties.

At the national level, we must avoid all childish adventurous policies (applying the words of Lenin to these problems, it may be said that maximalism is an infantile disease of Communism). We shall not build

Europe by selling weapons to these countries. We shall not build Europe by rivalling with the super-powers in attempts to consolidate spheres of influence and neo-imperialist dreams.

We must progress in our individual countries and at the European level too. Europe must be built! We must have a European policy! That is the first requirement and it would be folly to seek to go further before it is met.

**President.** — I call Mr Patijn.

**Mr Patijn.** — *(NL)* Mr President, I have asked to speak because I want to put a specific question to Mr Deschamps. I refer to the explanatory statement of his report. It is not usual for us to discuss the explanatory statement in Parliament because the rapporteur is responsible for it.

My question relates to the conclusions of the report in paragraph 50, point IV (f), where the rapporteur maintains that 'certain countries must recognize that it is better to take one step forward together than to adopt a progressive independent line, which achieves nothing in the end and emphasizes the divisions in the Community in the eyes of the developing countries, especially as some of these ostensibly altruistic standpoints do not quite manage to conceal major national interests'.

May I ask Mr Deschamps what exactly he means by this? Is he referring to one or more of the Member States? what is the significance of his statement? Does it mean that a Community viewpoint is an end in itself which must be respected even if that means refraining from further progress? Mr Sandri said a word about this just now. At all events I consider this remark rather curious. Without further explanation, I do not like the idea of that text remaining in a published document.

In point 4, on page 32, we read that the Dutch, supported by the Danes, appeared as 'parties of the left' by accepting the proposals of the developing countries on primary commodities and debts with one or two minor modifications.

Although the words 'parties of the left' appear in inverted commas, one might conclude that those who did not accept these proposals were on the right and that the term 'left' here is something objectionable because it means a lack of respect for Community solidarity. I wanted to make this point for the record to avoid any misunderstanding later on. I should welcome a further explanation by Mr Deschamps.

**President.** — I call Mr Ortoli.

**Mr Ortoli, President of the Commission.** — *(F)* Mr President, the Commission has little to add to the observations made by Mr Deschamps in his very full

## Ortoli

report; we had occasion to discuss this matter previously in June and many explanations were given by the Council President, Mr Thorn, and my colleague, Mr Cheysson.

I would, however, like to say, as Mr Cifarelli has just pointed out, that it is a good thing for the June discussion to be taken up again in October. This is a very important subject and one which will determine our whole future. Relations between the developing and industrialized countries are one of the great problems of our time. We are going to negotiate and, I hope, succeed. For months, and perhaps even longer, the Commission must watch what is being done and Parliament must express, whenever it thinks appropriate or at regular intervals, its views on the development of these key negotiations.

I want to stress just two points which were raised by a number of speakers following Mr Deschamps. As Mr Broeksz, Mr Sandri and Mrs Goutmann have said, the outcome of the Nairobi conference caused some disappointment, but I would like to repeat what was said by my colleague, Mr Cheysson, and by Mr Deschamps in his report; UNCTAD and more generally all the forums in which relations between the developing and industrialized countries are being discussed today, are making a continuous and progressive effort. One must not judge by a single conference. As Mr Deschamps, I think, said, Nairobi was one moment. We shall have to see whether that moment assumes any value and whether something tangible exists or whether, on the contrary, we are faced with a lasting failure.

If we are to summarize the situation we must refer, as does point 10 of the resolution, to the further action taken after the conference as well as to the difficulties raised by it. What, after all, could be expected of such a meeting? First of all, let us be frank. If we could expect the problems to be highlighted and the proposals of each party put forward clearly and boldly, we could not also expect immediate conclusions to be drawn from this explanation, because that is practically impossible at a conference of this kind; we could expect guidelines to be laid down even if there was some opposition to them, and procedures which guarantee action in the future. On these three points, without claiming general success, it would not be right to speak of failure, and I want to stress the *rapprochement* brought about in matters where ideology played a part and which enabled the procedures that now exist to be set up. We are drawing up a precise timetable, on the preparation of which the Commission and the Member States are working with a constant spirit of pragmatism. This is also reflected by something which Mr Boano rightly recalled — namely, that a whole series of initiatives are being taken at the same time and we are witnessing efforts at organization by the developing countries which, in my view, will throw light on the UNCTAD recommendations and enable further progress to be made.

The second point I want to stress is that the hopes placed in the Community in this matter were very high. But the Community cannot play a useful part and represent an element of progress and action unless it is united. What we can do today is, essentially, to seek the conditions under which we shall be united in order to act as the driving force which we should in fact be. One lesson of Nairobi is that we were wrong not to be sufficiently united but that a fresh chance is given to us because the work and negotiations are continuing.

The Commission is therefore resolved to do all it can in the Council to ensure that the Community speaks with a single voice and adopts common positions which must be as open and bold as possible. I fully endorse point 1 of the resolution, which asks for the Community not to be confined to the role of an observer.

Lord Walston and Mr Laudrin referred to the essential need for a common policy. You are right to say that our attitude cannot be logical without such a policy. This policy is essential for two reasons; first, because we have already decided to speak with a single voice at the North-South conference, and no real boundaries can be drawn between UNCTAD and the North-South Conference. Consequently we shall either manage to speak with a single voice on all matters relating to development or we shall see fresh contradictions arise and our capacity to make progress will be diminished because the contradictions will become apparent. Secondly, we have entered into a far-reaching political commitment in the matter of development. A number of speakers have just recalled what the Community has done. Its position is not complete and no doubt there is much more for it to do in this area, in particular by adopting a common position in the negotiations.

But our achievements, including the Convention of Lomé, cannot be forgotten.

Mr Sandri referred to the collapse in the price of one primary commodity, sugar, and he mentioned two countries which might experience serious problems. I would, however, remind him that in the case of one of them the existence of the Community changes the situation completely. Mauritius has an annual crop of 650 000 tonnes. It exports to the Community at our market prices — in other words, at prices which tend to increase — some 500 000 tonnes. Here the Community has shown that theory and practice go hand in hand and that we were capable of action. That will be my conclusion. It is right for Parliament to recall energetically that the Community must act in this area as a single entity without divisions; it needs a doctrine which, as Lord Walston pointed out, must be wider than that defined hitherto, and it must take initiatives because it will be our duty as a Community to show not generosity but understanding for the real problems of the world in which hunger and difficulties still prevail and which must be given a chance of growth and dignity. This problem concerns us, because we have the possibility of participating in a better equilibrium from which I am convinced our own peoples will benefit.

**Ortoli**

Mr Deschamps made this point very well and I am particularly pleased that this debate has taken place.  
(*Applause*)

**President.** — I call Mr Dalyell.

**Mr Dalyell.** — I hope the President will acquit me of discourtesy because of the events in the House of Commons last night.

I wish to ask only one very short question. At the ACP Conference that Parliament held six months ago, the Africans complained rather strongly that at Nairobi it was difficult for them to know, so they said, to whom they were talking. They were talking sometimes to the individual nation States and sometimes to the Community. I ask the President in a very gentle, factual way what is being done to make it possible for us to speak with one voice over the next two years, and what we can say to Africans who inquire, 'Next time, how are you going to behave?' I realize that the President is very aware of this problem from his winding up speech. However, I wondered whether I might have a factual answer as to what is being done to work in the direction of speaking with one voice.

**President.** — I call Mr Ortoli.

**Mr Ortoli, *President of the Commission.*** — (F) I believe, and the Commission has said so, that a position of principle should be adopted on this point — namely, that the Council should decide to speak effectively with one voice.

Secondly, on all the outstanding matters we shall be proposing up-to-date, common positions. We shall not be content with raising questions of principle; we shall try at the same time to apply those principles to the real situation by putting forward joint positions which will be progressively discussed by the Council.

**President.** — I call Mr Deschamps.

**Mr Deschamps, *rapporteur.*** (F) Mr President, may I thank all the speakers for their kind words, especially those addressed to me. I am even more appreciative of the approval for the ideas expressed in the report and in the motion, which the speakers have promised to adopt.

Each of us is free to interpret the situation as he chooses, and I clearly cannot endorse myself the highly personal interpretation of certain speakers — I am thinking in particular of Mrs Goutmann. For my part, I welcome the fact that Mr Sandri has signified his group's approval of the motion for a resolution, and I wish to point out that I cannot agree to the amendment which he and other speakers have criticized. But I would remind Mrs Goutmann that certain situations call for a more flexible appraisal. When I note, for instance, that all the money earned from the sale of coffee by a country such as Uganda is used to

purchase Soviet arms, I do not see this as good development cooperation capable of expanding the internal economy of that developing country.

Among other excellent observations made by various speakers, may I highlight one remark by Mr Cifarelli? Yes, he said, we must speak with a single voice, Europe must be present as a single entity and not merely as an observer. (This has been confirmed by Mr Ortoli.) But, he pointed out, we must above all be able to build Europe and do more to ensure that the Europe we have built will be more effectively present at such meetings and in the resulting international action.

Everything is linked. The breadth of our debate today on this policy of development cooperation proves — and this is a source of the greatest satisfaction to me — that we are moving towards a genuine European development policy. This is a highly positive factor. But if this policy is to be practicable Europe must be consolidated. I am grateful to Mr Cifarelli for stressing the fact.

Mr Patijn put two questions to me: who were you referring to in point IV(f) of your conclusions? What does this sentence mean?

The answer is very simple. I wanted to stress that the generosity of some countries in the open and free economy with which he is familiar was doubtless not always devoid of self-interest, since generosity of intent or action is not necessarily ruled out when transacting business. At all events I was not referring to anyone in particular. When Mr Patijn asked this question, did he perhaps think that I was getting at his own country?

At all events, I was referring to the generous approach taken by his country and mine in point IV(g), where I say that we should stress the social aspects of development and not confine ourselves to economic prospects at conferences such as UNCTAD. Justifications based on the search for social justice throughout the world are as decisive and important as those based on an improvement of the interdependent economic relations which we wish to establish. I think that this reply will satisfy Mr Berkhouwer, who stressed this point.

I shall reply briefly to the last speaker, who deplored the fact that Europe had not spoken with one voice and wanted to know what we intended to do to change this state of affairs.

I think I am reflecting the view of President Ortoli when I say that the Commission is doing all in its power to ensure that we can speak with a single voice in the greatest possible number of forums and at the earliest possible date, thus showing a united political determination. If we achieve that result we shall have taken an important step in the direction requested by the speaker. I am grateful to him for raising this particularly important question.

## Deschamps

I now come to point 5 of the resolution. As the rapporteur, I naturally defend the text of the resolution as approved in committee. In my personal capacity, too, I cannot dissociate myself from a text which refers to the new world economic order corresponding to a desire for greater justice in economic and social relations in the world. Personally, I cannot oppose this expression, which is taken from the United Nations text and also appears, perhaps more surprisingly, in the resolutions of the international union of Catholic employers and elsewhere. These two examples show that this notion is generally accepted and corresponds to an aim towards which we are moving.

By mentioning in the text the need for greater equity and an increased effort to exercise the rights and duties of the developing and industrialized countries, I was, I believe, reflecting the unanimous thinking of this Parliament, which has already expressed its view on the subject.

Mr President, that brings me to the end of my remarks. The speakers have made essential observations. I welcome the way in which this debate has taken place, especially in its bearing on our relations with the developing countries. I am sure that this debate will be known at Lomé shortly and that the ACP countries, to which we have alluded several times, will know that what we have done with them is positive and accords with what we wish to do with everyone and for the benefit of all.

*(Applause)*

**President.** — Does anyone else wish to speak?

The general debate is closed.

We shall now consider the motion for a resolution.

On the preamble and paragraphs 1 to 4, I have no amendments listed.

I put these texts to the vote.

The preamble and paragraphs 1 to 4 are adopted.

On paragraph 5, I have Amendment No 1, tabled by Mr Klepsch, by Mr Durieux on behalf of the Liberal and Allies Group, by Mr de la Malène on behalf of the Group of European Progressive Democrats, and by Lord St. Oswald on behalf of the European Conservative Group, rewording this paragraph as follows:

5. Asks the Council of the European Communities and the Member States to accept the principle that the effects of the present world economic order must undergo profound changes based on the rights and obligations both of the developing countries and the industrialized countries, taking into account the growing interdependence of all countries in the world.

I call Mr Laudrin.

**Mr Laudrin.** — *(F)* After hearing the rapporteur's explanations, my group withdraws the amendment to point 5.

**President.** — Mr Laudrin, I take note of your statement.

I put Amendment No 1 to the vote.

Amendment No 1 is rejected.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

I put paragraphs 6 to 12 to the vote.

Paragraphs 6 to 12 are adopted.

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

The resolution is adopted.<sup>1</sup>

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

The House will rise.

*(The sitting was suspended at 12.20 p.m. and resumed at 3 p.m.)*

## IN THE CHAIR : MR BERKHOUWER

### *Vice-President*

### 8. Agenda

**President.**— I propose to the House that we now deal with the remaining items in the order in which they appear in the agenda.

Are there any objections?

That is agreed.

### 9. Amendment of the Rules of Procedure of Parliament

**President.** — The next item is a joint debate on two reports, both drawn up on behalf of the Committee on the Rules of Procedure and Petitions, on the amendment of chapters of the European Parliament's Rules of Procedure:

— second report by Mr Hamilton, on Chapter XI (Doc. 336/76);

— second report by Mr Martens, on Chapters I to X, XIII and XIV (Doc. 335/76).

I call Mr Hamilton.

**Mr Hamilton, rapporteur.** — May I first apologize for not being here this morning because of transport difficulties with the British Airport Authority and political problems at home.

It is once again my pleasure to speak on the various reports from my committee. To save time, I propose to speak now as rapporteur for the committee and to introduce my report on questions. Having done that, I hope to pass on to speak as chairman of the committee on the Martens report.

<sup>1</sup> OJ C 259 of 4. 11. 1976.

## Hamilton

I would like again to remind Members that the committee's chief responsibility is for matters concerning :

the formulation, application and interpretation of the European Parliament's Rules of Procedure and for the examination of proposed amendments thereto.

My committee wishes to carry out that task as far as possible on the basis of broad agreement between members of all groups and independent Members. But the committee, in considering the Rules of Procedure in the perspective of direct elections, wishes to reserve to itself the right to make proposals designed to prepare Parliament for those direct elections.

Some of these proposals may be felt at times to be rather in advance of the accepted ideas of the House. In those cases I ask the House — and in particular the political groups — to study the ideas of my committee with an open mind, always remembering the need to prepare for those direct elections.

May I turn immediately to the contents of my report? The first point I should explain to the House is that the committee is not seeking a decision today on Rule 47 on oral questions with debate. We started to discuss at our September meeting the conflicting amendments to this rule tabled in July, but we quickly found that we could not achieve a consensus view. The committee therefore proposes to bring forward a separate report on Rule 47 after holding further discussions, in an effort to reach a compromise in the light of the many amendments we now have on Rule 47. I regret this, but in the circumstances it is inescapable.

On behalf of the committee I shall, therefore, ask the House to consider and to adopt amended Rule 46 on oral questions without debate, Rule 47A on Question Time and Rule 47B on debates on request.

Before explaining the committee's decisions on the amendments to my report tabled in July by the groups, I wish to congratulate all members of the committee on their practical, commonsense and non-party approach to all the amendments. All our members exercised great good will in seeking a consensus wherever possible. The result is that both amendments by the Socialist Group to my report were accepted; three out of the four amendments by the Group of European Progressive Democrats were accepted; and of the Conservative Group's amendments, one was accepted and two out of six were withdrawn — which is very good going, at any rate by British standards.

On Rule 46, the only substantial amendment was that tabled by Sir Derek Walker-Smith, on behalf of the European Conservative Group. The amendment sought to delete the whole of Rule 46. Although various authorities in the past have recommended the abolition of this rule, the committee, on a vote, upheld its earlier decision to retain it. In taking this

stand it has the support of the opinion of the Legal Affairs Committee, drafted in 1975 by Mr Jozeau-Marigné.

The committee has given the Bureau the power to convert oral questions without debate into questions at Question Time. It has retained the limit of time of one half-day per part-session for Rule 46 questions. If restrictions are put on oral questions with debate under Rule 47, it seems all the more important to retain Rule 46 for the benefit of individual Members.

I therefore hope that the House will support the retention of the rule, with the minor amendments proposed by the committee.

I turn now to Rule 47A on questions at Question Time. The main proposals are as follows :

1. The committee accepted Amendment No 9, by Mr Krieg, by which Question Time is to be held for not more — I underline these words — than 1½ hours each day on the second and third sitting days of each part-session.

The committee felt that Sir Derek's amendment to limit the time to one hour on each day was too restrictive. Some members argued that Question Time should be held on Tuesday and Wednesday mornings, in order to secure better coverage by the media, but the committee left this matter open. It could not accept the suggestion of the Commission, however, that its questions should be taken on one day only. It was felt that Members can spend only part of their time on European Parliament business and that the Commission must adapt itself therefore to Members' wishes. I hope that this Parliament will see fit, therefore, to accept our view and not that of the Commission.

2. The committee adopted the principle of Amendment No 10, by Mr Krieg, and thus rejected my proposal for a list of questions. A compromise was, however, proposed by which the President is given power to group questions on a similar subject. For example, if there were four questions on various aspects of the common fisheries policy, these would all be answered together when the Council or Commission answered the first such question. The committee believed that this would make for greater coherence and order at Question Time.

3. The committee accepted the principle of another of Mr Krieg's amendments — No 12 — and one of Sir Derek's amendments — No 4 — in regard to the criteria of admissibility to be applied by the President to questions at Question Time. The criteria of 'urgency and political importance, were struck out by the committee, which represents an amendment to the present guidelines to Question Time contained in the pink pages. The revised guidelines on Question Time have already been transmitted by the committee to the Bureau in the form of an opinion.

### Hamilton

To sum up on Question Time, I believe that it has now developed to a stage at which it is right to divide it into two parts, on the Tuesday and the Wednesday of a normal part-session. The committee felt that the problems now arising at Question Time would not be solved by extending it to two hours on Wednesday morning only.

To those who argue that two sessions of 1½ hours each is too long, my reply would be that if urgent business is due for debate after Question Time, the President has power now to limit supplementary questions and to call for shorter answers. I am sure that if he exercised those powers more stringently than now he would get the virtually unanimous support of the Members of this House. There is no need always to use the full 1½ hours on each day and in any event a closer check on the admissibility of some questions, using the criteria in the guidelines, would eliminate certain unsuitable questions.

Moreover — in my view, in my relatively short experience here — Question Time has proved invaluable to Parliament for eliciting information, for pressing a point of view sometimes hostile to the Council of Ministers and sometimes hostile to the Commission — which is all to the good. We should not be ashamed of that kind of difference of opinion between the various institutions of the European Community. I think it has been valuable for opening the Conference of Foreign Ministers, the Council and the Commission to frank, free and open conflict with this Parliament. We must prepare for the advent of direct elections, and I make no apology for saying again that this is one of the best ways to prepare the people of Europe for those elections.

I wish now to turn to Rule 47B, on debates on request. On this I can be very brief. The committee went further than Amendment No 6, tabled by Sir Derek Walker-Smith. Consistent with its decision on the admissibility of questions under Rule 47A, it abolished the criteria of 'urgency, topicality, political importance and relevance to the other business of the part-session'.

These criteria, other than that of urgency, exist at present in the pink pages, and I should draw the attention of the House to this change. The effect is to give the President wider discretion by removing the need for him to refer to criteria when deciding between requests for an urgent debate after Question Time.

Finally, the committee accepted Amendments No 6, by Sir Derek Walker-Smith, and No 18, by the Socialist Group, which omitted the existing words 'In principle, Members shall not make obvious use of a text' during debates on request. I hope I shall not be accused of obviously having used a text while making this speech. It is clear that I have been using a text, but I felt that it was important to place the exact

targets and the exact details of what we are seeking to achieve on the record.

In view of what you ruled earlier, Mr President, I will not make any further comments on the Martens report and certainly not on your own.

**President.** — I call Mr Martens.

**Mr Martens, rapporteur.** — (NL) Mr President, I should like to thank Mr Hamilton for his report and his explanation and also for the way in which he has chaired and led the Committee on the Rules of Procedure and Petitions. I am already able to announce that our group will support his report in its entirety.

In July we devoted an exhaustive debate to the proposed amendments to the Rules of Procedure, so I can be very brief. Parliament adopted Rules 6, 7, 13, 32, 35 and 41. Since numerous amendments had been tabled on other Rules, Parliament referred them to the Committee on the Rules of Procedure and Petitions at the request of its chairman. Parliament also accepted Sir Derek's suggestion to have his Amendment No 6 to Rule 35 referred to committee, although Amendment No 27 by Mr Lagorce seeking to have Rule 35 retained was adopted.

Having examined the amendments, the Committee on the Rules of Procedure and Petitions is today submitting a second report. You will find a detailed commentary on the proposed amendments in the explanatory statement of my report and I should like to draw your attention to some of these now.

Amendment No 30 was tabled by Mr Memmel to Rule 14 (2). This amendment gave rise to a counter-proposal by Mr Yeats, which was adopted unanimously. The text in question was consequently deleted. Thus it will be possible to include an item on the agenda because of its urgent nature only if Parliament has taken a decision to this effect.

A new subparagraph has been added to Rule 14 (1) as a result of the adoption of an amendment by Sir Derek Walker-Smith requiring that the vote on a request for an urgent debate shall be taken at the opening of the next sitting. However, this means in fact that no action can be taken on any such request if made at the last sitting of a part-session.

While I fully understand Sir Derek Walker-Smith's motives — namely, to make room for a period of reflection I think nonetheless that it would be desirable to make an exception when, for example, a request of this type is made on the penultimate day of a part-session. I have taken the liberty of making a slight change to the text of Sir Derek Walker-Smith's amendment. I have deleted the final part of the sentence, which reads: 'The President shall decide when it is to be taken and shall inform the Assembly of his decision'.

## Martens

The Group of European Progressive Democrats have tabled an amendment to Rule 14 (3). The committee has not given absolute priority to subjects whose urgency is recognized. They will indeed be given priority over others, but the President will be allowed some discretion in choosing the most favourable moment for their discussion.

An amendment was put forward to Rule 26 (3) which would have abolished explanations of vote. This amendment was rejected, so the old text stands.

I would ask you to make a small change to the explanatory statement on page 16. In the third paragraph on this page, the word 'although' should be replaced by 'after' so that the sentence now reads: '... was adopted by four votes to three after the rapporteur had drawn attention ...' and so on.

I should also like to draw your attention to a change in Rule 20 concerning the handling of the annual general report of the Commission of the European Communities.

The first version of Rule 20 (3) (new), third subparagraph, ran as follows: 'If a committee feels that it ought to submit a report, it shall first obtain the authorization of the Bureau'. This was annulled when an amendment from the Socialist Group was accepted.

The second subparagraph of Rule 20 (3) (new) does not mean that a committee must submit a report but only that it may submit a report. The wording of this passage, i.e., resorting to one of the existing procedures, means that if a committee wishes to submit a report, it must request permission either from the President or the Bureau, as is usual for an 'own-initiative' report pursuant to Rule 38 (1) of the Rules of Procedure.

Rule 28 lays down criteria for the allocation of speaking-time among the groups and non-attached Members.

I should like to draw your attention to a second improvement, this time to Rule 35. The second sentence of paragraph should read as follows: 'Rule 33 (2) and (4) shall not apply if the vote by roll-call is taken merely to clarify a doubtful result.'

Rule 54 (3) states formally that the Bureau, after consultation with the appropriate committee, shall lay down procedures for applying, interpreting and implementing the Rules of Procedure.

Several changes were suggested which are not dealt with in my report. The chairman, Mr Hamilton, has asked the President and the Bureau to include a number of procedural provisions in the 'pink pages'. The Rules concerned are: Rule 18, on the summary report; Rule 19, on the verbatim report in all the official languages of the Community within two weeks of the last day of the part-session; Rule 28 (3), on the notification to the President by the political groups of the speaking-time allocated to their speakers; Rule

28A, on an illuminated signal to mark the end of speaking-time; Rule 35, on a delay of two minutes between votes if the result is doubtful.

Mr President, Honourable Members, the text which is submitted for your approval is, I think, clear and is, moreover, explained in detail in two reports. I therefore expect that Parliament will adopt this motion for a resolution.

*(Applause)*

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

**Mr Broeks.** — *(NL)* Mr President, I too should like to begin by thanking the Committee on the Rules of Procedure and Petitions and also Mr Hamilton for the obliging manner in which they have considered the numerous amendments and incorporated them in the proposals. It was not so easy for us to keep track of what has actually happened. The reports are both dated 11 October 1976 and today is 12 October 1976. It is therefore not quite clear precisely what remains of the amendments.

It was also with a view to this that yesterday we proposed postponing the consideration of the two reports until next month. There was all the more reason to do so since Mr Hamilton's report is only an interim report, and we can probably expect another report on Rule 47 of the Rules of Procedure next month.

Nevertheless, we can approve Mr Hamilton's report as it has been submitted to us today. In general, we can say the same about Mr Martens' report. He, too, has considered the amendments in an obliging manner. I should now like to speak briefly, not as spokesman for the Socialist Group, but as a Dutchman. I have before me a Dutch text, and I have noticed that in this text different words have been used, which are not always entirely clear, for the same concepts. Rule 12 (1) talks of establishing a draft agenda. That is clear. However, in Rule 12 (2) it says that Parliament shall pronounce on it. That is less clear. Parliament can pronounce in various ways without a clear decision being taken. Yet that is the intention here.

Further on in Rule 12 (2) there is mention of a proposal that would be accepted in place of the agenda that is established. I should like to ask you, Mr President, and the Secretary-General to consider this matter more closely, so that one word is used for the same matter and not different words which might perhaps cause confusion.

I personally asked for the word 'motion' to be replaced by the word 'proposal' in sub-paragraph 3 of Rule 12 (2). In Dutch, a 'motion' is not the same as a 'proposal', as you yourself are well aware. This is a Gallicism which may have taken root in Flanders, but which is difficult for the Dutch to swallow. A motion

**Broeks**

is in fact non-binding and the person to whom the motion is addressed can decide for himself what to do about it; a motion does not oblige him to do anything, but a proposal does. I am therefore asking for this French usage in the Dutch language to be changed so that we speak of a 'proposal' if a binding proposal is intended and not of a 'motion', which is not binding.

I shall now speak in my capacity as spokesman for the Socialist Group. I have already said that in general we can fully agree with the proposals made by Mr Martens; we gratefully endorse these proposals. However, there are a few points we should like to comment on and on which we have also tabled amendments. Firstly, there is Rule 20 (3), where the second subparagraph states that a committee may submit a report on problems raised by the General Report. However, it has happened in practice that one of the committees criticized the fact that something which in fact had happened during the year covered was not raised in the Report.

This was the case with the Youth Forum. The Commission had submitted proposals on it and Parliament had approved them, but no mention was made of this in the General Report. The committee responsible considered it was its duty to bring this up precisely because nothing on the subject appeared in the General Report. So we should like to delete the words which refer to the General Report. Then the text would read: 'Any committee may, where it feels it necessary for Parliament to take up a position on certain essential problems, bring these problems up at a sitting by resorting to one of the existing procedures'.

I believe, Mr President, that the deletion of the words 'raised by the General Report' — which restrict our rights — is right and proper.

A second comment concerns Rule 31 (1). I should like to ask Mr Martens to compare this Rule with Rule 28 (1). These two Rules have so many similarities that to retain both of them can only cause confusion. I would ask the rapporteur and the committee to remodel Rule 28 (1), and in doing so also cast an eye over the wording.

Mr President, I don't think we have anything else to add. We await with interest Mr Hamilton's next report. I also hope that we shall have sufficient time to take a closer look at your report, Mr President, and to check whether it fits in with our Rules of Procedure. That is an important matter.

**President.** — I call Sir Derek Walker-Smith to speak on behalf of the European Conservative Group.

**Sir Derek Walker-Smith.** — I shall be very brief in view of the lengthy discussions that have already taken place on this subject. As will be seen, I have no

text and I hope that that will be taken as evidence of my intention to be brief and also as evidence of the disinterestedness of my amendment, to which reference has been made, to delete the rule to prohibit the obvious use of texts.

Mr Hamilton was good enough to indicate the score in regard to the acceptance of amendments. Mr Martens did not follow the same course. In fact, our track record for the European Conservative Group was considerably better in regard to the amendments which we moved to the Martens report than those to the Hamilton report. What, if any, inference should be drawn from that I am not sure, but I am grateful for the acceptance of the amendments which we put forward and which have been accepted by both rapporteurs, to whose patient work and industry I on behalf of my group gladly pay tribute.

I therefore make only one reference to the Martens report beyond that general commendation. I hope that in due course the pink sheets will provide for this two-minute interval in the circumstances of the vote indicated in my amendment and thereby bring help to the studious in the library, to the thirsty in the bar, and to the gregarious in the corridors.

In regard to the Hamilton report, it is fair to say that the two main amendments which I moved on behalf of our group have not found favour — that is, the amendments relating to Rules 46 and 47A.

In regard to Rule 46, there is a fairly long and respectable provenance for the views which I advanced in regard to deleting this rule, and you, Mr President, may recall that this was a recommendation of the Schuijt study-group on which I was privileged to serve during my early days in this Parliament. Even if Parliament wants to retain Rule 46, and even if it is not very useful, it will not be very injurious and I would not propose to make an issue of it. As Mr Hamilton has fairly pointed out, subsequent to the Schuijt report, there was a report by the Legal Affairs Committee reporting an opinion of my distinguished friend and colleague Mr Jozeau-Marigné in the opposite sense — that is, in favour of keeping it. I would never differ from Mr Jozeau-Marigné without the greatest hesitation. That is another reason for leading me to say on behalf of my group that we acquiesce in this decision.

With regard to Rule 47A, on Question-Time, I appreciate the force of the argument that the two periods of one-and-a-half hours are a maximum period. I hope that they will be treated as such. As I pointed out to Parliament in July, it is always easy to increase times; it is extremely difficult to cut them down. Once the maximum of one-and-a-half hours is allowed to be established as a minimum, there will be a substantial erosion upon the time that Parliament can devote to those duties which are obligatory upon it under the



**Walker-Smith**

terms of the Treaty and which should not be put in jeopardy.

It is further right to say that what Parliament — if I may respectfully say so — stands in need of at Question Time is greater conciseness in the formulation of questions by Members who ask them and an equivalent increase in conciseness by the Commissioners and Ministers who answer them. I am not sure that the best incentive to that greater conciseness is to enlarge the time in which people can ask and answer questions. However, the committee has taken that view.

If that duration is treated as a maximum, if we proceed cautiously and having regard to those logistical considerations to which I have referred, again we would acquiesce in the decision of the committee. We have deployed no amendments, because we are prepared to accept and to cooperate in the implementation of the two reports as they have now emerged from these patient and laudable endeavours of the committee and the rapporteur.

I conclude with this final word. I am sure that I carry with me Mr Martens, Mr Hamilton and all who are conversant with these matters when I say that there is in fact, and can in the nature of things be, no finality in the matter of procedure. It is a flexible and developing matter, and the quest to find the highest perfectibility of our procedures is an unending quest. It will not be ended by the adoption of these reports. The reports are useful steps on a road which we must in future continue to tread.

**President.** — I call Mr Ortoli.

**Mr Ortoli, President of the Commission.** — (F) Mr President, I shall confine myself to commenting on one aspect of Mr Hamilton's report — namely, Question-Time, which I think is a very important part of parliamentary life. We in the Commission entirely approve of it. It enables Parliament to exercise some control over us, but it is also a way of informing the public of what we are doing and why.

I am not sure that it would be a good thing to reduce the impact of this strong beat in the bar by making Question-Time twice as long and spreading it over two days. I am not sure that we are not going to lose some of the tempo contributed by Question-Time, especially as one of its advantages is the coverage it gets in the press.

I don't want to make a special point of the difficulties we have experienced since nine o'clock this morning in adhering to the agenda. Nevertheless, that is a problem which can arise from time to time. It would be better to concentrate this 'strong beat' on the Wednesday, prolonging it if need be.

I am, quite simply, giving you my opinion. Do not imagine that this is a chance for the Commission to

dodge its responsibilities to Parliament: we are both involved, and our interests are the same.

I am not sure that the course proposed would be the wisest move, and if we were to divide Question-Time up into two periods and spread it over two days, the Bureau of Parliament would have to take the trouble of ensuring that it was included in the agenda for Tuesday afternoon. I make no secret of the fact that I would prefer to have a longer Question-Time concentrated entirely on Wednesdays.

All this is, of course, subject to the point made by Mr Hamilton about observing the proper character of Question-Time. The business of answering questions is of a very special kind. It is sometimes difficult for the Commission to furnish a reply. I think there should be a strict code as regards the type and length of questions, and the length of the replies and subsequent debates.

It's a game which has to be taken seriously. You need an absolutely penetrating question to get a clear, precise and definite answer. If it entails an enormous amount of research, it has no place in Question-Time; if it deals with old topics, it has no place in Question-Time; if it deals with statistics, it has no place in Question-Time. As it elaborates its rules in this sphere, Parliament will have to subject itself to a greater measure of discipline if it wants to get the most out of Question-Time.

I do not say that in order to avoid any issues during Question-Time, because questions can be put to us in other ways and we can answer in other ways, but if we want to keep this 'strong beat' of the week, there will have to be strict discipline.

My third comment is again more a question of efficiency than an attempt to find a loop-hole for the Commission. Grouping questions together by subject — when there is one — is a good thing for the simple reason that the Commission can give a simple explanation without repeating itself or giving Parliament and the public the feeling that we are returning to the same themes whether with new or with identical arguments. The grouping together of questions is useful.

In conclusion, Mr President, I have tried to explain as simply as possible why I am convinced of the importance of Question-Time and of the usefulness of concentrating more than has been proposed by grouping questions together so that the subjects become more evident and the system is made to work as efficiently as possible.

Once more, I want to convince Members that there is no question of our dodging their supervision or avoiding the desired dialogue. That is what I wanted to say.

**President.** — The general debate is closed.

For the adoption of proposed amendments to the Rules of Procedure, a qualified majority is required,

**President**

and this majority we do not have at the moment. I therefore suggest that these proposed amendments be put to the vote at the next part-session, which is to be held in Luxembourg at the end of October. The Community's budget will then be on the agenda, so we can be sure that the number of Members required to adopt this kind of amendment will be present.

Are there any objections?

That is agreed.

I call Mr Martens.

**Mr Martens.** — (NL) Mr President, three amendments have been tabled. I assume these amendments will also be discussed during the next part-session in Luxembourg.

**President.** — That is correct.

*10. Cooperation agreements between the  
EEC and Tunisia, Algeria and Morocco*

**President.** — The next item is the report by Mr Pintat, on behalf of the Committee on External Economic Relations, on the cooperation agreements concluded between the European Economic Community and the Republic of Tunisia, the People's Democratic Republic of Algeria and the Kingdom of Morocco (Doc. 307/76).

I Call Mr Pintat.

**Mr Pintat, rapporteur.** — (F) Mr President, this convention, after several interruptions, was finally completed at the beginning of 1976. The difficulties experienced by the negotiators during these long months demonstrated the complexity and multiplicity of the problems which had to be solved. Geographically close to the Community, both Mediterranean and African, sandwiched between the Community and the states of Black Africa, with most of which the Community has concluded a cooperation policy, and with very special links in modern history with France, the three Maghreb countries have, since their independence, maintained close relations with the Community. The intention expressed by the Community in 1972 to adopt an overall Mediterranean policy brought them even closer. Your rapporteur has in fact already had the opportunity of highlighting these problems and difficulties in a recent report.

The agreements signed in April 1976 in the three Maghreb capitals represent the combination of a long process which has allowed the signatories to see beyond the scars of history, unequal levels of development and conflicting short-term economic interests, and to become aware of their solidarity and their growing independence *vis-à-vis* the major problems of the second half of the twentieth century.

These agreements are therefore to a large extent something of a wager. To determine what is at stake, we shall first examine the content and then assess the problems and, in some cases, the risks which are involved.

What do these agreements involve? The object of the agreements concluded between the European Community and the three Maghreb countries is to promote overall cooperation between the contracting parties with a view to contributing to the economic and social development of Algeria, Morocco and Tunisia and helping to strengthen relations between the parties.

They are intended, as stated in the preamble to each of the agreements,

to establish a new model for relations between developed and developing States, compatible with the aspirations of the international Community towards a more just and more balanced economic order.

The ambitious nature of the agreements signed in April may be seen, we believe, by two aspects: their comprehensive nature and their role as a model. They are comprehensive because they take into account most aspects (economic, financial, commercial, social) of present relations between the two sides. They are proposed as a model for relations between developed and developing countries. Unlike the agreements signed by the Community in the 60s', the new conventions with the Maghreb countries do not require them to grant tariff or customs concessions. They merely undertake to grant the Community most-favoured-nation treatment, and we shall have a few words to say later on about the difficulties which that might involve with regard to the associated countries.

How much does this financial cooperation amount to? In order to achieve these various objects, the Community has naturally undertaken to make available to the three States, for a period of 5 years, to start 6 months after the signing of the agreements, financial resources listed in detail in the document before us. The main figure to remember is 339 million units of account for a five-year period, representing the total amount of aid commitments to the three countries, which, it seems, is comparable to what the Community is preparing to grant to Greece, Turkey and the four Mashrek countries. What trade arrangements are proposed in the document which has been submitted to us?

As far as non-agricultural products are concerned, the agreements provide for the free access to the Community market of all products exported by the Maghreb countries other than those coming under the common agricultural policy.

Agricultural produce raises a far more difficult problem. This is an area in which we are aware that we shall undoubtedly have problems. It was without doubt the extent of the preferences granted to Maghreb exports of agricultural produce that created the greatest difficulty during the negotiations and the greatest hesitation on the part of the Community representatives.

Because of its geographical proximity and climatic conditions, the Maghreb is a major competitor in various agricultural products coming from the Mediterranean regions of the Community.

## Pintat

The main agricultural products exported by Algeria and Morocco are citrus fruits, for which there is an 80 % Common Customs Tariff reduction. Olive oil and fresh fruit and vegetables, which are the main products exported by Tunisia, also enjoy considerable advantages.

In addition, table wines are granted an 80 % tariff reduction provided the reference prices are respected.

Quality wines are exempt from customs duty within the limits of annual quotas fixed for each of these countries, the highest of which is, of course, applicable to Algeria on account of its well-known historical heritage.

The provisions of the agreements signed with these three countries will enter into force after approval by the contracting parties in accordance with their own procedures. This naturally entails certain drawbacks, and it was necessary to conclude supplementary and interim agreements for trade in goods. The final date of validity of these agreements is 30 June 1977.

What is the scope and what will be the effects of the cooperation agreements?

The agreements which have just been signed with the three Maghreb countries cannot be examined in isolation or removed from a broader political and economic context.

The European Parliament has for a long time called for the implementation of an overall Community Mediterranean policy. Various initiatives have been taken since 1972. Since that time, the recent signing of the cooperation agreements with the Maghreb countries, following the signing of agreements fulfilling the same objects with Israel and Malta, show that, despite inevitable difficulties and delays, considerable progress has been made.

The Maghreb countries belong to the African side of the Mediterranean and have reached a much lower level of development than those on the northern side: Spain, Portugal, Malta, Greece or even Israel. They are more or less half way between these countries and the frontier States of Black Africa — Mali, Chad, Niger, Mauritania — which have signed the Lomé Convention. It is understandable, therefore, that the preferences granted by the Community to the Maghreb countries correspond to this intermediate position between these two different economic groups.

Like the Lomé Convention, the agreements with the three Maghreb countries introduce a new element in international economic relations and unquestionably constitute a challenge to the solidarity and interdependence between nations regardless of their level of development.

Is the boldness of these objectives compatible with the difficult economic situation at present confronting the nine Member States? Might it not entail new difficulties for agricultural production in the Mediterra-

nean regions of the Community with easily conceivable political, economic and social consequences? These fears seem particularly justified in the agricultural sector. The structural difficulties affecting Community production, wine in particular, are well-known. At the same time, the Mediterranean region is economically and socially one of the most unstable of the Community.

Some authoritative voices — including Commissioner Cheysson's — have been raised against such exaggerated fears. The Community is in fact far from being self-sufficient in several of these 'sensitive' sectors. It produces only 45 % of the citrus fruits it consumes. Moreover, precautions have been taken against the risks involved in importing agricultural products.

Despite these reassuring remarks, it is nevertheless true that certain limited sectors of Community activity will suffer from such imports. In view of the difficulties there would be in stopping these imports, your rapporteur considers that it would seem at all events necessary to examine and apply at an early date compensatory measures to offset the damage thus sustained by Community wine-growers. The Community should therefore take prompt measures on behalf of the populations of the areas most directly affected by competition from Maghreb imports, through the European Social Fund or the Regional Fund.

The European Parliament is at all events of the opinion that the entry into force of the agreements should lead to the establishment of regular contacts with a delegation from the Tunisian National Assembly, since it exists, and, pending the re-establishment of parliamentary relations in the other two countries, with appropriate representatives from Morocco and Algeria.

Your rapporteur is of the opinion that it would be wrong to consider the effects of the entry into force of the agreements only on the contracting parties. The effects on the Community's other trading partners seem to us to be just as important.

And again, how can one reconcile the provisions of the agreements just signed in Algiers, Tunis and Rabat with those of the agreements signed last year between the Community and Israel, which entered into force on 1 July 1975? Are the three Maghreb countries not members of the Arab League, which forbids its members to trade with Israel?

We feel that the agreements signed with the three countries could have even more serious effects on future relations between the Community and Turkey. Having attended meetings of the joint Parliamentary EEC-Turkey Committee, we know that these relations have deteriorated in recent years. The Turkish objections seem to us to be justified, especially when we consider that Turkey grants the Community preferences while the Maghreb countries, as we have seen, do not.

**Pintat**

We regard this as an important political problem which the Community should resolve in the coming months. Will the Community agree to increase the concessions granted to Turkey and risk displeasing the Maghreb countries, or will it decide to maintain the present situation and risk provoking a further deterioration in relations with Ankara? This problem has to be faced.

In conclusion, the agreements concluded with the three Maghreb countries will not become fully meaningful unless those countries successfully achieve economic integration, as they are encouraged to do under several provisions of the agreements. The tension that has existed for several months between Algeria and its two neighbours because of the Spanish Sahara problem makes such a *rapprochement* difficult. This situation is very much to be regretted, and one may well ask whether the Community could not use its not inconsiderable influence to help bring together neighbouring countries which despite temporary disagreements, are united by the challenges of development. That seems to me to be an extremely important and interesting job for this emerging Europe.

Subject to those reservations and comments, my committee proposes that Parliament adopts the report which has been submitted to it.

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

**Mr Patijn.** — (NL) Mr President, I should like to thank Mr Pintat wholeheartedly for the detailed report he has submitted to us. He has gradually become an expert in the field of Mediterranean policy. As you are aware, about 10 months ago we discussed his report on the global Mediterranean policy, and this present report deals with only one part of this. He was thus able to draw on his extensive knowledge, and this is obvious from this document.

Next, I should like to thank the Commission, and in particular Mr Cheysson, for the effort it has made in setting up this agreement. Mr Cheysson will remember that I was also spokesman for my political group when the agreement with Israel was discussed. Even at that time it proved difficult to define a balanced policy for the whole Mediterranean area. The decision we arrived at then, that a balance must be struck and that each should have its turn (Israel, the Maghreb countries and, later, the Mashrek countries), has now become reality. The Commissioner's perseverance has really been very important in this matter.

If we want a Mediterranean policy, whatever that may be, then these three agreements naturally fit into this conception. If we want a Mediterranean policy, it is logical that agreements should be concluded with the Maghreb countries. We should add that the links between certain Member States and these countries, and between the Community as such, as laid down in

the EEC Treaty, and these countries are of long standing. When the EEC Treaty was signed, there were even then special protocols included for these countries and particular regulations for Algeria: all these provisions have been applied without a break since 1958. What we are now signing in fact seals these links: the trade regulation sets the seal on the existing trade without customs duties and quantity restrictions.

The new element is, of course, that these agreements give us the opportunity of extending the financial side and other forms of cooperation between the EEC and the countries concerned.

I said a moment ago: 'if we want a Mediterranean policy'. It is still not entirely clear just what we mean by a Mediterranean policy. How does it relate to other countries wishing to link up with the Community? I am thinking here of the Greek application for membership and of the negotiations for this which have been opened; I am thinking of the association with Turkey, which aims at eventual membership, of the reports that we may expect a Portuguese application for membership. The danger still exists that the Community may pursue a piecemeal Mediterranean policy, that it is granting a special status to one country and then a different status to another, depending on the kind of links requested with the Community. This is also shown by the fact that in Mr Pintat's resolution definite measures are requested to deal with the meaningless preferences granted to some associated countries under the terms of the general Mediterranean policy. The problem remains that what the Community offers in concessions in one area works to the disadvantage of the concessions already enjoyed by another country, whether we are talking of Greece, Turkey or any other country in the Mediterranean, or a country in the Third World.

Concessions granted to one country work to the disadvantage of concessions previously granted. To that must be added that this also works to the disadvantage of the southern Member States of the Community, Italy and France. These countries are facing formidable competition in agricultural produce. The result of this may well be that national subsidies will have to be granted.

I know very well that the Community has not progressed far enough for it to offer anything but tariff concessions, trade concessions and money. We are not in a position to transfer Community technology or set up a cooperation agreement in the energy sector, where the Community gives support to these countries. I hope, therefore, that Commissioner Cheysson will state what is the precise aim of the Mediterranean policy.

Of course our group will support the resolution in line with the attitude it adopted when the Mediterranean policy was debated in December, but we ought

**Patijn**

to know just what we are aiming at: what we are doing now, we may not be able to do later on for other countries. One general problem is whether the system of generalized preferences for developing countries is adversely affected by these agreements. How many concessions are included in the cooperation agreements with the Mediterranean countries which the developing countries have not been granted? Can the Commissioner tell us something about that?

Secondly, the whole of the GATT on the reciprocal nature of preferences is not mentioned, because the preferences are no longer reciprocal. Unilateral Community preferences are involved.

I am not saying all this because we intend to vote against these agreements. I would, however, warn against a development which poses a threat if the full consequences of the Community's policy are not taken into account.

I have already pointed out that we must keep an eye on the system of generalized preferences, the rules of GATT, and the subsidies to producers within the Community. These must not be regarded as matters which can be adjusted afterwards if they go wrong. They form an integral part of the policy.

I am making a few critical remarks, Mr President, because in my opinion it is important that the Community keeps what it is doing clearly in mind. In December, when I discussed the Mediterranean policy as spokesman for my political group, I stated clearly that this policy is not an end in itself.

It is not the Community which is linking itself to the countries around the *mare nostrum*. What is involved here is rather the consolidation of existing links. What already exists is being consolidated; in my opinion there is no particular political philosophy behind it.

Mr President, my group votes for these agreements and the resolution which Mr Pintat has submitted to us. There are a few critical remarks to be made about the financial part, but my colleague, Mr Lange, will speak at greater length about this. On this matter we have a bone to pick with the Commission. Knowing him, I imagine that Mr Lange will be able to do this very efficiently in his own way.

Just one single remark on the paragraph relating to parliamentary contacts. We must realize — I am speaking now to Parliament as such — just what we are taking on. In our Joint Parliamentary Committees we have contacts with associated countries such as Greece and Turkey. We also have numerous contacts with the ACP countries — and I must say, these are very fruitful contacts. Within the framework of the contacts, it was decided to establish other contacts — not with Parliament but with 'authorized representatives'. But who are these authorized representatives? I think that there we should keep a sharp eye open; it

is Parliament's duty to arrange these contacts in accordance with the standards it has itself laid down for this purpose.

The Mediterranean policy as such was approved by our group in December. The agreements we are now discussing fit into this policy. We are satisfied with the work which the Commission has so far done on this matter. We shall therefore vote for this resolution and for these agreements.

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

**Mr De Koning.** — (NL) Mr President, I should like to associate myself with the compliments Mr Patijn has paid to the rapporteur, not only for the unambiguous resolution included in his report, but also, and especially, for the lucid explanatory statement, which gives a very good survey of the problems involved in these cooperation agreements.

The conclusion of these agreements with the Maghreb countries is a cornerstone of the Community's Mediterranean policy. We are, of course, all aware of the problems which arise whenever attempts are made to unite under one policy countries with such varied historical relations with Europe. This becomes all the more difficult when we are dealing with countries with very varied social and economic structures and with very divergent political problems. Yet this Mediterranean policy is necessary as a global policy, because we are involved with each other as a consequence of our geographical position, and because, in the past, various Member States have assumed responsibilities which must be honoured in a new form, one suited to the present stage of Community development.

The cooperation agreements now concluded set a pattern for the manner in which relations between the Community and the Mediterranean countries can develop. They also show the problems which will have to be solved under these agreements.

I will make just one comment on the problems. In my opinion the questions relating to the financial protocol are not the most important. I am all ears to know what Mr Lange is going to say about this, but as I see the financial protocol, considering the time scale involved, it appears to me that the Community here is giving adequate expression to its desire to shoulder responsibilities in respect of countries which in the past could claim assistance from us and which should be able to do so in the future as well. As we extend our policy towards the Mediterranean countries, these obligations should increase further.

Nor do the problems lie in the provisions relating to migrant workers. In fact, these provisions provide for the continuation of a situation which has been in existence for quite some time.

## De Koning

Problems arise above all in the trade sector. Quite justifiably, the rapporteur points out the possible consequences for the Mediterranean countries of the Community if these agreements are concluded with other Mediterranean countries. Mr Pintat himself mentioned a few facts relating to various products, but he says in paragraph 25 of his report that the tariff concessions for the benefit of third countries, which the Community has granted for agricultural products, vary from 20 to 100 per cent and that they concern 80 to 90 per cent of the agricultural exports of these countries. This means that the Mediterranean countries, in this case the Maghreb countries, are gaining important advantages in the agricultural trade field which naturally will have an effect on the Community market. The situation is such that some of the agricultural products from the southern part of the Community are to a very large extent comparable with those from the Maghreb countries, while the south is precisely the least prosperous part of the Community. Without doubt these tariff concessions will lead to intensified competition. The Community as a whole must be prepared to offer compensation.

Mr Patijn pointed out quite rightly that, in view of the present expansion of Community policy, considerably fewer resources were available for granting benefits to other countries. Nor do we have enough resources to offer compensation within the Community itself for the consequences of the agreements which we are concluding with many different countries. We have a Regional Fund, we have a Social Fund and we have a very comprehensive agricultural policy.

I believe that in particular the Regional and Social Funds should be used to encourage diversification in agricultural products and to set up additional employment opportunities in those areas of the Community where the population is finding it extremely difficult to earn a living because of these and any future cooperation agreements.

A second problem which the rapporteur also touched on is the relationship between the Community and the Maghreb countries on the one hand, and that between the Community and the other associated States, namely Greece and Turkey, and the Lomé countries on the other. My group is of the opinion that the Community should prepare itself for great efforts in order to continue its balanced policy towards other countries with which we have links and towards which we have accepted obligations. Mr Patijn stated, quite rightly, that if a certain country is granted concessions and, in consequence, similar concessions are granted to other countries, the first country may feel itself at a disadvantage because its privileged position is reduced in relative terms. And that is not fair: we must make it clear to all the countries to whom we grant concessions that their position remains unaffected, even if similar concessions are granted to other

countries. Other countries will therefore share in the privileges which the first countries previously enjoyed.

None of this alters the fact that we must strive with all our might for a balanced policy towards all the countries with which we have relations and with which we may establish even closer relations.

Despite these problems, we share the rapporteur's satisfaction with the results which have been achieved and which are now laid down in these cooperation agreements with the Maghreb countries. We shall gladly support Mr Pintat's report.

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

**Mr Terrenoire.** — (*F*) Mr President, the Group of European Progressive Democrats, on behalf of which I have the honour to speak, welcomes the signing of the Agreement between the European Community and Algeria, Morocco and Tunisia. As the rapporteur, Mr Pintat, so rightly pointed out, these agreements constitute a model in several respects. They confirm the successful transition from the theoretical policy adopted at the 1972 Summit Meeting to a concrete achievement in 1976. I congratulate the Commission, and in particular Mr Cheysson, on the determination and sheer hard work that went into the conclusion of these agreements.

After the conventions with Israel and Malta, these agreements offer tangible proof that the elaboration of a Mediterranean policy was more than just a pious hope. They represent a living model for Community policy towards the countries in the Mediterranean area.

They are also compatible with my group's constant concern in this area, i.e., that an overall policy, an overall 'approach' should be applied towards these countries. It is not of course intended that these States should one day become full members of the Community. The object is rather to sustain the relations which we have always had with them, on a basis of equality, complementarity, interdependence and shared autonomy. We need to adopt a concerted policy of Euro-Mediterranean development within the broader framework of what is being referred to as the new world economic order.

With these cooperation agreements, the European Community has taken an important step forward in the widening of its responsibilities in the Mediterranean area. They constitute in our view a decisive success from the point of view of the Community's overall approach to the Mediterranean policy.

They represent an encouragement to the Commission to continue, for the time being, with the programme it has sketched out for itself (convention with the Mashrek countries, financial cooperation with Israel, etc.) but also to go further, to raise its sights and extend its action beyond this too limited framework.

## Terrenoire

It must now frame a real Mediterranean policy based on a geopolitical study, which consists in defining the whole Mediterranean area and international relations in terms of socio-economic development. Thus account will be taken, not only of our relations with these countries, but also the close interdependence between the countries coming under the 'overall approach' and the other Mediterranean countries. What is needed, therefore, is not simply an intensification of relations within the Mediterranean area, but a stepping up of the Euro-Mediterranean dialogue between the two blocs of countries situated on opposite sides of the Mediterranean.

This is entirely feasible, since 'overall approach' does not mean identical treatment but an overall policy designed to meet the particular requirements of these countries. The Commission seems to have understood this, judging from its proposal for an agreement laying the heaviest stress on cooperation as the best means of promoting the economic and social development of these countries.

Without going over the content of these agreements, which the rapporteur, Mr Pintat, has already fully described, the Group of European Progressive Democrats would stress the following points: the first concerns the justified fears of Community farmers with regard to the agricultural concessions granted to the Maghreb countries. This fear, however, of an invasion of the European market by the small number of similar products from the Maghreb must not be overdramatized. In the first place, the Community is far from self-sufficient in several of these sensitive sectors, and, in the second place, agricultural imports from the Maghreb represent only 0.6 % of total imports by the Community of products coming under the Common Agricultural Policy.

In addition, there will be certain safeguards (Community reference price, safeguard clauses and so on). Nevertheless, one problem remains to be solved, that of the need to frame an external agricultural policy on a new basis, taking account of the complementarity of Mediterranean and Community farmers.

This means, of course, that we shall have to redirect our policy, but success entails choices which are sometimes difficult. Restructuring will be necessary, but there will be economic compensations. The idea of setting up a regional organization of the Euro-Mediterranean market merits some attention.

Our second comment concerns an omission from the resolution. It seems highly desirable that the Community, both in its own interests and in those of the Maghreb countries, should be represented in these States by a Bureau (whose role would not be to have political responsibilities, but to provide information and monitor the management of projects in progress). Such a Bureau already exists in Algeria, and the King of Morocco has also asked for the Community to be represented by a delegation.

And now, Mr President, if you will allow me a little more speaking-time, I shall make a few comments on behalf of the Committee on Budgets, which was asked for its opinion on the report on the cooperation agreements with the Maghreb.

The Committee on Budgets fully approves the principle and the amount of financial aid proposed by the cooperation agreements with the Maghreb States, as presented in the Financial Protocol in these agreements.

The aggregate amount of this aid is 339m u. a. It will take two distinct forms: European Investment Bank loans: 167m u. a., non-refundable aid and special loans: 172m u. a. As far as the aids and non-refundable loans are concerned, we find ourselves in a highly paradoxical situation, since the Council has not yet decided how the necessary resources will be mobilized. When one considers that the Community has launched a major policy of financial aid to the Mediterranean countries and that more than 600m u. a. in aid and non-refundable loans will shortly be granted to these countries, it is absolutely unacceptable that no decision has yet been taken regarding the origin of the funds required.

This indecision is due to the Council's hesitation between two possible methods of financing: by the national budgets, according to a scale yet to be defined; and by the Community budget itself.

The Committee on Budgets and Parliament as a whole have pointed out on several occasions that it was unacceptable to launch so-called 'common' policies for which financing remained the responsibility of the Member States themselves and that the Community budget should be big enough, as provided by the Treaty and the regulations in force, to finance all Community activities.

As far as development aid is concerned, it is fair to say that there is no Community policy in this area, since the European Development Fund is not financed by the Community but by the national budgets. Only food aid appears in the budget of the Commission and is therefore a purely Community action. At a time when a major policy of aid to the Mediterranean countries is being launched, it is essential, in the view of the Committee on Budgets, that the principle of the budgetization of this aid should be adopted. It is for this reason that the Committee on Budgets feels that a conciliation procedure should be initiated between the Council and Parliament in order to settle this matter and to permit the Community to decide how it intends to finance its cooperation policies.

Furthermore, the Committee on Budgets has pointed out that it would be financially simpler and politically preferable for the beneficiary countries to receive their aid from the Community rather than from the

## Terrenoire

Member States. Therefore, in the interests of the Community and of the countries concerned, Parliament should demand that the Council clarify this issue.

In view of the above considerations, the Committee on Budgets has instructed me to move the amendment which has been distributed to you. I would add that the Committee on Budgets has also voted in favour of a similar amendment to the draft Community budget for 1977.

Those were the additional comments I wished to submit to your consideration on behalf of the Committee on Budgets.

### IN THE CHAIR : MR YEATS

#### *Vice-President*

**President.** — I call Mr Cheysson.

**Mr Cheysson, Member of the Commission.** — (F) Mr President, the agreements we are discussing were signed in the three Maghreb capitals on three fine days in April. We felt that this was an important occasion, that in this period of crisis, even despite the crisis, the Community was taking a step forward, and that this was the crowning achievement of its policy towards the Third World.

Mr Pintat, as rapporteur, has given an excellent outline of the background to these lengthy and painstaking — some might say, uncompromising — negotiations, and I should like to offer him my congratulations.

The negotiations with Morocco and Tunisia began in July 1973, while we had announced that we were ready to negotiate with Algeria in 1972. The basic principle of overall economic cooperation agreements, as Mr Pintat points out, was laid down in the Treaty of Rome. Mr Pintat has also described the nature of the agreements in his report. The opinion of the Committee on Budgets, which Mr Terrenoire has just presented, is annexed to the report. I shall therefore confine myself to mentioning certain specific points which raise problems.

As regards commercial cooperation, may I first draw attention to the importance of these agreements, which cover between 50 and 60 per cent of our partners' exports to the Community. In the long term they will stabilize a situation on which the economic development of these countries depends to a considerable extent.

These are the circumstances in which the interim agreement, which the draftsman of the opinion of the Committee on Budgets is asking you to approve, was drawn up to bring the commercial clauses into effect before the formal implementation of the three agreements, subject to the terms laid down in Article 113,

on which the draftsman of the opinion has, in passing, expressed certain reservations.

As Mr Terrenoire has just said, financial and technical cooperation is far from negligible. In the Committee on Budgets' opinion, he raises a number of questions. He asks how we shall use financial aid in such a way as to ensure security and avoid any problems as regards national sovereignty. My answer is that the question how to use financial and technical aid arises in all the countries with which we have arrangements for financing projects, and so far we have not had any problems. The priorities are decided on by the governments of the recipient countries themselves and the control that is provided for ensures that the projects are implemented according to the original plan and the priorities laid down by the governments.

The question of the State guarantee mentioned by the draftsman of the Committee on Budgets' opinion arises only when the financial aid is granted to a body other than the State. In such cases we normally ask for a State guarantee. It may happen, for example with regional projects, that the institution with which we are dealing itself provides the guarantee, and the State guarantee is not then necessary.

But the main question raised by the Committee on Budgets is budgetization. This is a familiar problem. The Commission made its views on the matter clear some time ago. We cannot understand why new policies, which involve financial commitments by the Community, are not shown in the budget.

If we really want to promote budgetary transparency and achieve an internal balance in the budget, this is a mistake. It is a challenge to Parliament, whose main function at the moment is to exercise control over the budget in all its stages; this control must, of course, extend to all our outside commitments, as well as to the Community's internal commitments. We do not therefore see any reason, Mr President, why an immediate decision should not be taken in favour of budgetization.

May I say to Mr Terrenoire in this connection that the opinion he expressed when referring to paragraph 6 of the resolution on Malta adopted in April does not appear to us to be sound. The Commission does not believe that there is any possible alternative to budgetization. We feel that the budget entries should be in European units of account, in the same way as our financial aid commitments. The use of the budgetary unit of account distorts the calculation of exchange parities, and you know very well what effect this can have.

This is why we made only token entries for the payment appropriations for the 1977 budget, since in 1977 — I am now addressing myself to Mr Pintat again — we shall still be using a budgetary unit of account with the old parities. We hope that it will not be necessary to settle in European units of account



## Cheysson

transactions that were originally in budgetary units of account, and we have therefore adopted this somewhat unusual arrangement for the 1977 budget. But when discussing the budget, the Commission feels strongly that a decision should be taken on budgetization, in order that, the commitment appropriations can be shown in full in the Community budget as adopted by the budgetary authorities and hence by this Parliament.

Unfortunately, Mr President, the rapporteur's hopes have not been fulfilled and the question is still unresolved. The Commission therefore feels that the consultation procedure recommended by the Committee on Budgets should be opened immediately.

Every effort must be made to settle this matter without delay, and obviously our partners must not be made to suffer as a result of an interinstitutional dispute for which they are in no way responsible.

Mr President, just a few more words on cooperation between the institutions, since it has been mentioned several times.

This cooperation, the organization of meetings between the institutions, is, as we know, extremely important as regards our cooperation agreements. Meetings are to be held between the executives. We hope that there will be a meeting with this Parliament. For this policy — and I shall have more to say about this later — involves much more than ordinary trade cooperation. It calls for close links between the economies of the countries concerned, which affect our own structures, and it is therefore essential for Parliament to exercise budgetary control and to maintain direct contact with our partners in order to keep abreast of the implementation of the agreements.

One of our partners already has a Parliament. The other two intend to set up parliaments in the near future. We hope therefore that it will not be long before the parliamentary body provided for in the agreements is able to meet.

Mr President, I shall now pass on to the more fundamental problems raised by the rapporteur and the draftsman of the opinion. First, there is the important question of non-discrimination. This is a subject that Parliament is familiar with, since it has been debated in this House on several occasions. Mr Pintat, in his report, brings up the question of compliance with the non-discrimination clauses. I should like to make sure, on the Commission's behalf, that the implications of these clauses are absolutely clear.

The three agreements contain a clause, for example Article 53 of the agreement with Tunisia, to the effect that the arrangements that apply in respect of the Community shall not discriminate between the Community Member States, their citizens or their undertakings. This clause is perfectly clear. I would

like to stress the fact that this applies to citizens and undertakings, and not only to the Member States, as is unfortunately the case with the Lomé Convention.

Annexed to the agreements is an exchange of letters in which the Maghreb countries state that they reserve the right to ensure that the undertaking I have just mentioned is not incompatible with their essential interests as regards security. What does this reference to security imply? It simply means that these are the same provisions as we find in the Article 21 of the GATT agreements.

In a Community letter replying to the letter from the Maghreb countries, we stated that we felt strict compliance with the agreement itself to be essential. Parliament can rely on the Commission to ensure that the clauses which prohibit discrimination are scrupulously respected, as recommended in paragraph 9 of the motion for a resolution. The same will apply in the case of the other agreements we hope to conclude shortly with other Arab countries: Egypt, Syria, Jordan, and perhaps also with the Lebanon, if it is in a position to negotiate.

The second, very general, observation made by the rapporteur and several other speakers relates to the new additional trade preferences resulting from the three agreements. I think this point should be made quite clear, Mr President: how do these preferences compare with the previous arrangements? In the industrial sector, it was announced in the 1969 agreement that generalized preferences would be granted for all industrial products. The rapporteur mentioned this. In the agricultural sector, we now cover a larger proportion of exports from the Maghreb countries and in the case of certain countries, Morocco for example, these exports account for a substantial part of our imports, almost two-thirds, as compared with only 8 % in the case of Algeria.

I would point out, however, that when Parliament considers this matter, it is perhaps looking at it from the wrong angle, since competition from additional agricultural products or agricultural products whose commercial competitiveness is increased, is not a problem that arises in regard to the Maghreb. The average tariff reduction we allow to the Maghreb countries will be lower now that the agreements have been concluded and not higher. It will be lower because the exclusive right of access to the French market will be replaced, in many cases, by a zero duty, often in conjunction with a timetable.

Artichokes, for example, were duty free. They will now be subject to 70 % of the common external tariff, from 1 October to 31 December, and to the total tariff outside this period. The same applies to table grapes, and I could mention other examples.

Thus, contrary to what is often claimed, the position of the Maghreb countries as far as our agricultural exports are concerned has not improved on average.

### Cheysson

We are told that the erosion of preferences granted to third countries could affect these countries. Mr Patijn, on behalf of his group, has raised the question of generalized preferences.

May I point out, Mr President, that the generalized preferences system related to industrial products and processed products on which generalized preferences were already granted previously. The improvement in preferences for the Maghreb countries relates to the agricultural sector, and I have explained why this must be considered with reservations.

The generalized preferences system does not apply to the agricultural products concerned; at the moment it applies to only one product covered by the common agricultural policy, namely, tobacco. The preferences are thus not being eroded since, in accordance with a policy that the Community has followed consistently, these products are not covered by the GPS. I can therefore state categorically that the agreements with the Maghreb will not have the slightest effect on the generalized preferences system.

On the other hand, as the report makes quite plain, there is a problem as regards Turkey. The Turks never cease to point out, and it is well known to everybody, that in the current negotiations with them the Turkish side has a strong negotiating weapon, so that in the negotiations with the Maghreb countries we have had to make concessions to the Turks. These negotiations are in the early stages. I am merely pointing out that the Turks do have this argument on their side; I will not say any more, but clearly this has to be taken into account.

The effects on our own production and prospects of competition from the products which we are allowing on to our market have also been pointed out to us.

Attention has mainly been focused, of course, on the agricultural sector. I have just explained, Mr President, that on average the position of agricultural products from the Maghreb on the market has not improved. I could also point out that under the common agricultural policy machinery exists to protect Community products if they are in any danger, that the timetable is effective and that the reference price can, when fixed at a certain level, in fact put a curb on imports. We saw how this happened with wine, in the first half of 1976, when no wine was imported and the reference prices had been fixed on this basis. Lastly, the safeguard clause can be invoked.

But above all, Mr President, I should like to say that our desire to enter into general agreements with the Maghreb countries is part of a wider policy. The competitiveness of Maghreb agricultural products will not be improved by these agreements. Competition from Mediterranean agricultural products is another problem. When I said just now that the subject was

being looked at from the wrong angle, I meant that the problem related to the Northern Mediterranean countries and their membership of the Community, and not the countries to the south of the Mediterranean and the association agreements concluded with them.

In any case these agreements, in so far as they will have the effect of merging economic sectors in the long term, are extremely important to us.

You have probably seen in the press the figures the Commission published a few days ago on the increase in Member States' exports to the Arab countries: a 357% increase in two years. Where else in the world could we find such export potential?

The rapporteur for the Committee on External Economic Relations, Mr Pintat, mentions in his report the idea of long-term contracts. You will remember that Egypt had asked us to conclude a five-year contract to supply it with a quantity of agricultural products. This contract alone was equivalent to two-thirds of the Maghreb's total agricultural exports: a single long-term contract was worth 500 million dollars, while the Maghreb's total agricultural exports represented only 750 to 800 million dollars per year. This organized interdependence, far from jeopardizing our interests, is therefore to our advantage.

Of course, it is a wager. Also, as Mr Pintat points out, some sectors will undoubtedly be affected. Even though the Community as a whole will undeniably benefit from this policy, certain sectors and regions have legitimate interests which must be protected. This is made quite clear in the motion for a resolution.

The Committee on External Economic Relations takes an overall view of the matter. In other words, it stresses that a sound long-term development policy cannot merely be a marginal policy: it must be directly linked to our other policies. The adjustments needed to keep pace with new developments and possibilities must be an integral part of an overall policy.

You know that that is what the Commission believes. I have already had the opportunity of expressing this view in Parliament on several occasions. But I must say that the Commission has never had enough courage to go as far as your committee is recommending. In one paragraph of the motion for a resolution, it advocated the provision of aid from the Social Fund and the Regional Fund in the event of difficulties. The Commission earnestly hopes that Parliament will agree to this recommendation.

In this way we shall be able to coordinate all our policies: development policy will tie in with other policies which relate to our external commitments.

## Cheysson

I have already made this point, Mr President, in connection with the Lomé Convention. It is even more relevant when it concerns countries which are nearer to us and have more immediate and obvious scope for competitive development. The *rapprochement* with the Lomé countries leads me to point out that in these three agreements with the Maghreb our objects are the same as in the Lomé Convention. It is a policy which is completely unique in the world at present, since it has four characteristics which are not found anywhere else in relations between industrialized and developing countries. It is a comprehensive policy — as Mr Pintat explains — and all the channels of cooperation aid are coordinated. It is a long-term policy and it is guaranteed in the sense that the concessions we are offering are laid down in an international treaty, therefore constitute a legal obligation, and are thus a stable element in our partners' future development. It is a neutral policy, since we are dealing jointly with countries between which there are conflicts. We are thereby showing that we do not wish to take any sides in these disputes. It is therefore not surprising that the same preamble appears in the three Maghreb agreements and in the Lomé Convention, to the effect that we must establish a new model for relations between developed and developing States which is compatible with the aspirations of the international community towards a more just and more balanced economic order. It is an expression of solidarity and interdependence. In the case of the Maghreb countries, and in the future the Mashrek countries, and also Israel, which will of course be treated on an absolutely equal footing with the adjoining countries, it is part of the new international economic order, and also, as far as the Maghreb countries are concerned, part of the *rapprochement* between Africa and the Arab world in the Mediterranean region. The King of Morocco has compared his country to a tree that has its roots in Africa while its branches are shaken by the winds of Europe. When we enter into agreements with countries in this geographical, cultural and economic situation, we can say that we are laying the cornerstone of our development policy.

(Applause)

**President.** — I call Mr Lange. I should like to express my regret to him that he was not, through an error, called earlier.

**Mr Lange, chairman of the Committee on Budgets.** — (D) Mr President, ladies and gentlemen, I am sorry that the Committee on Budgets is only now getting an opportunity to put its point of view, as Mr Cheysson has already said a great deal about the matter we are concerned with here. I should like, therefore, to follow on from what has been said by our colleague, Mr Terrenoire, and Mr Cheysson on the problems of cooperation in the area of financial and budgetary policy.

There is no difference of opinion on this question between the Commission and ourselves; that is perfectly clear. The difference of opinion on whether these resources should be entered on the budget or not is between the Commission and Parliament, on the one hand, and the Council on the other. The Committee on Budgets — and I think I may say that the Parliament is behind it on this — feels that Parliament has pressed long enough for these funds to be entered in the budget and that the Council must now finally show its hand and let us know what it really thinks about this matter.

The Committee on Budgets has deliberately chosen not to wait until the budgetary consultation procedure for 1977 takes place, and here again I should hope that I am speaking on behalf of the entire House when I say this. This problem must be tackled separately, so that, first, the Council will know once again what position Parliament takes up on this question, secondly, we ourselves may know what shape the 1977 budget is going to take and, thirdly, the Council can plot its future course in the light of this.

The Committee on Budgets gave a good deal of thought to the question of whether it should vote in favour of this Pintat report, in view of the fact that the issue of relations between the Community institutions on this matter had not been resolved. I know that this question was also discussed in the political groups and that it played a large part in the deliberations of the Committee on External Economic Relations. We finally took the view, however, that there was perhaps no particular political advantage to be gained from letting internal difficulties take the blame for shortcomings in other directions.

I should now like to say something, Mr Cheysson, about the new point that the Committee on Budgets proposes to have added to the motion for a resolution. This additional point must be incorporated into the motion for a resolution; it is not sufficient for it to be contained, as it now is, in the opinion drawn up by Mr Terrenoire on behalf of the Committee on Budgets, because this opinion is not being voted on separately. In fact, the vote is being taken only on the Pintat motion for a resolution, and therefore the additional point must be written into the latter. We want to clear up this whole problem with the Council before the agreements enter into force, that is to say, before the Financial Protocols come into effect.

Of course this may have an effect which you, Mr Cheysson, would like to see avoided — namely, that third parties having nothing whatever to do with our internal relationships may suffer. That depends on the Council. We are in favour of a decision being taken on this matter as quickly as possible.

There is another thing I should like to say very emphatically, and I say it also particularly on behalf of my group, the Socialist Group. We are no longer prepared to vote in favour of any agreements — apart,

## Lange

that is, from the agreements being debated here today — unless this crucial question is resolved by agreement between the Community institutions — in other words, unless all financial commitments are clearly set out in the Community budget. The Council must take note of this. We have already said this several times and continually stated that it was the last time, and then we have always relented and voted in favour. This, however, is definitely the last time, and it must be the last time.

If you will permit me to speak plainly on this point, Mr President, Mr Cheysson, ladies and gentlemen, there is one thing that seems to me to be essential. I feel that in future, in the case of international agreements with financial implications concluded by the Community with third countries or with other parties, we must try to work out some procedure other than the present one, because the information conveyed under the terms of the Luns-Westerterp procedure is simply inadequate to present a clear picture of the extent and the range of some people's hopes and expectations. There is no special way of knowing what wishes on the other side the Community may be faced with at any given stage of the negotiations, and for this reason the financial implications of international agreements of this kind must be hammered out so clearly in advance that all three institutions — on the one hand, the Commission as the intermediary and negotiating body and, on the other hand, the two branches of the budgetary authority, Council and Parliament — know precisely what financial demands will be made of the Community in the near future and in the longer term.

This means that a further development of the procedure we call the Luns-Westerterp procedure is called for. It should even be possible for Parliament to convey its views to the negotiating body in some form other than that of consultation; it should be possible for Parliament as a plenary assembly to state its case. We should, however, go into this entire question together once again in order to see what mode of action is the most appropriate one. What I am trying to do is to make it clear that this Parliament is no longer prepared to tolerate the feeling that it is being pushed aside in financial matters. That is the important thing. On these conditions and on these conditions only — and this is meant for you, Mr Cheysson! — this Parliament will certainly vote in favour of the Pintat report. It depends on the Council — and in this connection I would ask to help ensure that the Council makes a little more haste in opening the conciliation procedure with Parliament — how quickly the matter is resolved and how quickly the further measures that will be necessary are taken, so that the financial measures or the Financial Protocols can enter into force.

I feel that this is a very serious matter, and we ought to approach the conciliation procedure with the Council in a suitably serious frame of mind. I would

repeat my request to the Commission, which, after all, agrees with us that these matters must be budgeted for, to help ensure that the Council makes a real effort and that it does not evade the issue by setting some kind of vague indefinite deadline. What we ask for must be done as quickly as possible. If you ask my opinion, I would say that this conciliation procedure leading to the result that we desire must be begun and concluded within the next four weeks. We cannot wait any longer. I should be grateful if this Parliament would endorse the point of view that we have put forward in the motion for a resolution accompanying the Pintat report. This would be a major step forward in this matter and would mean that we had worked out a suitable position in preparation for the conciliation procedure with the Council.

**President.** — I call Mr Dalyell.

**Mr Dalyell.** — When I put my name down to speak I had not heard the Chairman of the Committee on Budgets, Mr Lange. Therefore, I can be very brief, because, as a member of the Committee on Budgets, I echo what he said.

One of the difficulties — I think that I am not alone among the Members of the Assembly in saying this — is that we have no idea of precisely what our financial obligations are to a whole mosaic of third countries. I wonder whether it would be possible, at any rate for the incoming Commission, to try to present in a coherent form to the Committee on Budgets and to Parliament some kind of outline of precisely what the financial obligations are and what the general strategy is. Does it not seem that many of these things have been done in a piecemeal fashion?

I do not come here to complain or to say that on previous occasions things should not have been done the way they were, but the truth is that we now have so many different agreements, complicated by Greek accession and possibly Portuguese and Spanish accession, that we want to know precisely where we are.

If I may speak for a moment as a politician, it is said more and more, 'Here are the Maghreb countries and' — dare I say it? — 'other countries in the French empire-that-was getting all sorts of advantages. You British are not doing very much for the New Zealanders'. That may not be entirely true — I think these complaints are exaggerated — but it is an example of the reason why, as politicians, we must be clear where we are, so that if this kind of charge is made it can be rebutted.

**President.** — I call Mr Cheysson.

**Mr Cheysson, Member of the Commission.** — (F) Mr President, as regards the opinion expressed by the chairman of the Committee on Budgets, I should like him to know that we in the Commission are very anxious for the question of budgetization to be resolved as soon as possible. When I said earlier that I hoped that this would not jeopardize the implementa-

**Cheysson**

tion of the agreements, it was because the matter had now reached the stage where it could be dealt with in just a few hours. All the specialist committees have already discussed the technical aspects of budgetization at some length. The Council is fully aware of all the aspects of this problem that would only take a few hours to settle, and there should not be any real delay in implementing the agreements, particularly as the only argument put forward by certain members of the Council was that the budgetary unit of account was not suitable for the incorporation of new policies in the budget. This problem has now been resolved.

We in the Commission therefore feel very strongly that the consultation procedure should be opened without delay.

Since you have asked me to speak, Mr President, I shall reply to Mr Dalzell that almost every year we draw up a statement of the Community's external commitments. By this I mean commitments arising from agreements and not, for example, commitments arising from the price of New Zealand butter under the compensatory amounts system, which is another matter. But since 1974 we have taken stock every year of the Community's formal external commitments. The statements for 1974, 1975 and 1976 have been distributed to Members of Parliament and I should be pleased to explain their content at a meeting of the Committee on Budgets.

**President.** — We shall now consider the motion for a resolution.

I put the preamble and paragraphs 1 to 6 to the vote.

The preamble and paragraphs 1 to 6 are adopted.

On paragraph 7, I have Amendment No 2, tabled by Mr Patijn on behalf of the Socialist Group:

Amend the beginning of this paragraph to read as follows:

'7. Reiterates its concern over *the further decline in the importance of the system of generalized preferences for developing countries and over the way in which preferences are granted...*' (rest unchanged).

I call Mr Patijn.

**Mr Patijn.** — (NL) Mr President, after Mr Cheysson's statement in reply to my questions, it is clear to me that this amendment could give rise to misunderstandings. I drafted this amendment in the light of tariff preferences for the benefit of the Maghreb countries in respect of the general preferences. In general, I have spoken about the link between the Community's Mediterranean policy on the one hand and its policy towards the developing countries in general on the other. In my opinion, the problem lies rather in the relationship between the Community's Mediterranean

policy in general and the Community's development policy as such. We did not discuss this point when approving this and other reports on the Mediterranean policy. I agree with Mr Cheysson that the problem which I wanted to bring out does not arise in the general preferences, and for this reason I am prepared to withdraw this amendment.

**President.** — Amendment No 2 is accordingly withdrawn.

I put paragraphs 7 and 8 to the vote.

Paragraphs 7 and 8 are adopted.

On paragraph 9, I have Amendment No 3, tabled by Mr Patijn on behalf of the Socialist Group:

In this paragraph, replace the words *Community undertakings* by the words *Member States, their citizens or undertakings*.

I call Mr Patijn.

**Mr Patijn.** — (NL) Mr President, the text of Mr Pintat's resolution does not follow the text of the agreement. Paragraph 9 of the resolution talks exclusively of discrimination between Community undertakings. In my opinion we must refer here to Member States, their citizens or undertakings. Mr Cheysson spoke about this and about the exchange of letters. I hope that he will take great care here to see that no discrimination occurs as stated in the exchange of letters previously published. Therefore I would propose that we should align the resolution's text to that of the agreement, and I would therefore ask Parliament to adopt the relevant amendment.

**President.** — What is Mr Pintat's position?

**Mr Pintat, rapporteur.** — (F) Mr President, ladies and gentlemen, the amendment proposed to us expresses exactly the point we were trying to make but it is better than the present version in that it is more comprehensive. I myself am in favour of adopting this amendment.

**President.** — I call Mr Cheysson.

**Mr Cheysson, Member of the Commission.** — (F) The wording of the proposed amendment corresponds exactly to the text of the agreements. It would therefore seem to be the best version.

**President.** — I put Amendment No 3 to the vote. Amendment No 3 is adopted.

I put paragraph 9, so amended, to the vote.

Paragraph 9 is adopted.

I put paragraph 10 to the vote.

Paragraph 10 is adopted.

**President**

After paragraph 10, I have Amendment No 1, tabled by Mr Terrenoire on behalf of the Committee on Budgets, proposing the insertion of a new paragraph :

- 10a. Asks for the conciliation procedure with the Council to be opened in respect of the budgetization of aid and special loans for the three Maghreb countries before the cooperation agreements are brought into effect.

I call Mr Terrenoire.

**Mr Terrenoire.** — (F) Mr President, we have explained the reasons for proposing this amendment in great detail; they reflect the views that Parliament has expressed in the current budget and will no doubt express in the next budget. Nevertheless, I should like to stress that in the view of the Committee on Budgets there is no reason why there should be any delay in implementing the agreements. It is simply an internal matter connected with the operation of the Community institutions and the policy that we wish to see applied in the Community; all of us here, as previous speakers have indicated, are anxious to see the agreements properly and fully implemented as soon as possible. The countries concerned must not be allowed to think that the Community is using this as an excuse to delay the implementation of the agreements.

**President.** — What is Mr Pintat's position ?

**Mr Pintat, rapporteur.** — (F) No-one who has followed this debate can fail to agree to the amendment that has been proposed to us. This consultation procedure is clearly desirable and the arrangements for financing the cooperation policy must be worked out. This will inevitably have to be shown in the budget.

**President.** — I call Mr Lange.

**Mr Lange, chairman of the Committee on Budgets.** — (D) Mr President, I should like merely to suggest a change in wording. At the beginning of the French text you have the word *demande*; the English version should, therefore, have the word 'demands', but in fact it has another word. The German version should also have the word *fordert*.

I do not want any special vote on this, Mr President, but I would request that the other versions be simply brought into line with the French text, and then everything will be allright.

**President.** — We will ensure that it is done.

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, incorporation the various amendments that have been adopted.

The resolution, so amended, is adopted.<sup>1</sup>

#### 11. Protection of fundamental rights

**President.** — The next item is the report by Mr Jozeau-Marigné, on behalf of the Legal Affairs

Committee, on the report of the Commission on the protection of fundamental rights (Doc. 321/76).

I call Sir Derek Walker-Smith.

**Sir Derek Walker-Smith, deputy rapporteur.** — I am privileged as Chairman of the Legal Affairs Committee to present this report in the regretted absence, due to the exigencies of the dual mandate, of my distinguished colleague Mr Jozeau-Marigné, the rapporteur. I of course regret his absence just as Parliament will, especially as he has a long and distinguished record in the protection of fundamental rights and indeed is the author not only of this report but of the earlier report in 1972 which gave rise to the study and report of the Commission of the European Communities, from whose report in turn our present report derives. Nevertheless, while regretting his absence I am personally glad to have the opportunity to speak again in this Parliament on the subject of fundamental rights and their protection, since I have taken a keen interest in the matter throughout my membership of this Parliament and it is a subject whose importance is strongly emphasized in the policy statements of the group to which I here belong.

The report is concerned with the protection of fundamental rights in the Community against the background of the Commission's report, which is itself a valuable analysis of the subject, and especially of the evolution of the case law of the European Court of Justice.

We have, it is true, had to wait a long time for the Commission's report, since this Parliament's invitation to the Commission to produce the report was contained in a resolution which we passed as long ago as 4 April 1973. But the reasons for the Commission's delay are contained in paragraph 2 of its report and are noted by our committee. Therefore, all I want to say on that is that, although it has taken a long time, the report has been well worth waiting for.

More important, I think, than the delay is the approach of the Commission to the matter and the content of its report. Having read the Commission's report, I have no doubt of its close interest in this question or of the detailed and useful work which it has put into it.

The question of the protection of fundamental rights under Community law owes its importance and topicality to a void, perhaps indeed a defect, in the express provisions of the Treaty. At the conference in Luxembourg of the European Court of Justice which I was privileged to attend a fortnight ago, Judge Pescatore, referring to the well-known case of *Internationale Handelsgesellschaft*, which provoked some conflict between the Court of Justice and the Federal Court in Karlsruhe, used these words :

<sup>1</sup> OJ C 259 of 4. 11. 1976.

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This case has drawn attention to the fact that the builders of the European Communities thought too little about the legal foundations of their edifice and paid too little attention to the protection of the basic rights of the individual within the new European structure. Here, therefore, is a question which remains open.

Although some articles of the Treaty afford protection to particular rights—for example, Article 7 in respect of nationality, Article 48 in respect of the free movement of workers within the Community, Article 119 in respect of equal pay, and so on—there is a lacuna in respect of the protection of fundamental rights as such. The Treaty does not specify that comprehensive protection or guarantee that one would expect in a written constitution of a national State. The reason, no doubt, for this curious omission on the part of the founding fathers of the Community was that they considered that these matters would be taken care of in the European Convention on Human Rights to which the Member States at that time already adhered, were in process of adhering or were expected to adhere. Of course, with the benefit of hindsight we can see a clear dichotomy. It is this. Whereas the Convention deals primarily with civic and political rights, the Community is concerned primarily with political and socio-political matters.

Whatever the reason, any insufficiency or imperfection in the protection offered by Community law to fundamental rights has, potentially at any rate, a double disadvantage. It affords inadequate protection in Community law but also, because of the doctrine of the supremacy of Community law under the Treaties, it may prejudice the rights of the citizen under the national law of his own Member State. It may, in the language of the scriptures, take away from him even that which he thinketh he hath.

It was this situation that gave rise to the majority judgment of the Federal Constitutional Court, which pointed out that certain rights guaranteed by the basic law of Germany were not covered by Community law.

We discussed this case at the June part-session of Parliament but primarily in the context of the principle of the supremacy of Community law. I ventured to point out on that occasion that it is also very important to ensure that Community law in one way or another affords the maximum attention to individual rights.

Mr Jozeau-Marigné's report and that of the commission are both concerned to do this. There are in fact three matters raised in these reports and in the motion for a resolution which I commend to the House today — first, the evolution of case-law in the European Court of Justice as affording increasing protection for human rights; secondly, the possibility of a code of rights or charter of rights for citizens of the Community; and, thirdly, the possibility of a common declaration of respect for fundamental rights to be made by the three institutions of the Community.

On the first of these matters, there has been a gratifying advance. As Mr Jozeau-Marigné says in paragraph 7 of his excellent explanatory statement, '... the development of European Court case-law ... appears to be a very positive one with regard to the definition and protection of fundamental rights ...' This evolution is chronicled in some detail in paragraph 9 of the Commission's report, and a summary is there given of the leading cases in the Court of the last decade which bear on the protection of human rights, including in particular the Nold and Rutili cases, the most recent in this line of cases, the judgments in which are referred to in paragraph 3 of our motion for a resolution.

The suggested approach to this first aspect—that is to say, the evolution of case-law in the Court of Justice—is defined in the first part of our motion for a resolution, particularly in paragraphs 3 to 5, which follow the first two paragraphs welcoming the Commission's report and commending the quality of the contribution made by it.

Paragraph 4 of our motion for a resolution refers to the desirability of a widening of access to the European Court of Justice for individual citizens, though this is not intended to reflect any complacency in respect of the present situation or to suggest that we should not work to improve it, since there are still difficulties in regard to the access to the Court for individual litigants, as was made clear by very striking facts given in Advocate-General Warner's speech at the conference at the Court of Luxembourg to which I previously referred.

Paragraph 5 of our motion for a resolution is very important and I shall come to that. I should just say, parenthetically, in the context of access to the Court, that we are not here strictly concerned with access to the European Court in Strasbourg but only to the European Court of Justice at Luxembourg. Stress was laid in discussion in our committee on the desirability of Member States which have not yet done so recognizing the right of individuals to have access to the Strasbourg Court under Article 25 of the European Convention on Human Rights. Mr Jozeau-Marigné undertook to give expression to this feeling in this part-session, and I wish to discharge that obligation on his behalf.

Paragraph 5 of our motion for a resolution reads thus :

Notes, therefore, in view of the development of Community jurisprudence concerned with the protection of fundamental rights, that the protection of these rights is now very clearly guaranteed by the Community Court and that the level of legal security thus achieved at present in this essential sphere is certainly—in the circumstances—at least as high as that which would be provided by the adoption of a charter of fundamental rights.

I come now to the second aspect, the question of the code. Paragraphs 6 and 7 of our motion look to the

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future and deal with the possibility of a code. Paragraph 6 reads as follows :

Considers, with the Commission, that the idea of a charter of the fundamental rights of Community citizens retains its full validity in the context of the European Union, whatever form such Union should take.

There is in fact nothing inconsistent in simultaneously welcoming the progress of the European Court of Justice, stressing the value attached to the protection which it gives and not closing the door to the possibility of a future code. Work can, and should, go on in parallel on these matters. Indeed, some of the work required is common to both approaches, since the evolution of a code would have to be preceded by an exercise in comparative law, identifying fundamental rights in Member States in the economic and socio-economic contexts and seeking to apply the highest factor of protection of those rights accorded in the Member States. It is precisely such an exercise in comparative law in which the European Court of Justice is also engaged in its evolution of Community case law.

Paragraphs 8 and 9 of the motion for a resolution deal with the third main aspect which I have adumbrated, that of a common declaration by the institutions of the Community. This derives from paragraph 38 of the Commission's report, which says :

For the time being, the Commission feels that the idea already put forward to confirm, by a solemn common declaration of the three political institutions of the Community, respect for fundamental rights in the Community merits serious consideration. Such a declaration could underline the importance of the Human Rights Convention and the indispensable nature of the protection of these rights by the Court of Justice.

We in the Legal Affairs Committee have given the suggestion not only serious but sympathetic consideration. Paragraph 9 of our motion for a resolution concludes by urging the President of Parliament, in conjunction with the Legal Affairs Committee, to take every possible step to encourage the Council and the Commission to adopt such a declaration.

In conclusion, I hope that this tripartite approach which I have sought to define will commend itself to Parliament. I hope that the European Parliament and the other institutions of the Community will collectively pursue this path — the continuance of the good work of the European Court of Justice in this context, the possibility of a code of rights for the citizen in the future and, more immediately, a common declaration by the three institutions confirming the principle of respect for fundamental rights in the Community.

I am sure that Parliament will continue to attach great importance to this vital matter, affecting as it does the rights of the citizen in a free society. I am sure, too that our work and progress in this matter will, in the words which I used in the conference of the European

Court of Justice, give to the Community, 'at present still thought of by many as primarily a technocratic and bureaucratic concept a stronger base, a warmer image and a more human face'.

I commend to Parliament Mr Jozeau-Marigné's report and the motion for a resolution therein contained.

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

**Mr Broeksz.** — (NL) Mr President, may I begin by congratulating the chairman of the Legal Affairs Committee on his excellent introduction to Mr Jozeau-Marigné's report.

As appears from Mr Jozeau-Marigné's resolution, the Socialist Group, through Mr Lautenschlager, submitted a resolution on 4 April 1973 which was adopted by Parliament. It is particularly gratifying to note that this resolution, on the basis of which so much has been done since then by the Commission and the Council, and especially by the Court, has been overtaken. However, we continue to discuss it because the safeguarding of human rights is of exceptional importance for all citizens of the nine Member States. The very idea that these rights could be infringed one way or another should make us all remain alert.

Meanwhile, I should like to establish clearly that all Community activities are based on 'human rights', as clearly laid down in the relevant Convention. In my opinion, no one can claim that there has been any deviation from this in the Community.

This being so, I was rather sceptical about the resolution tabled in June this year. You will remember that the Bundesverfassungsgericht in Germany arrogated to itself the right of verifying whether fundamental rights had properly been taken into consideration. In my opinion, this question deserved far less consideration than it was given in legal circles. At all events, checks were made whether fundamental rights had been taken into consideration, and the conclusion was drawn that there had been no infringement of human rights. And who would have expected anything else? If this should ever be the case as a result of the Council's or the Commission's acts, the Court of Justice would certainly set aside any such decision.

The resolution which we adopted, however, could not do any harm and further consolidated our intention of remaining alert.

There is an important question in connection with the attainment of European union. I do not know whether the latter will soon arrive; I am not clairvoyant. So far, I only know that it won't arrive as quickly as had been thought. If European union comes about, the question arises whether the treaty which will then replace the Treaty of Rome should include fundamental rights. I do not want to express



**Broeksz**

an opinion about this. We can do this better when we know the contents of the draft treaty. Perhaps then it will be clear whether or not the inclusion of these rights is desired. We must work from the Treaty of Rome and not from some unknown, entirely new treaty.

The Commission has issued an extremely interesting report on human rights. In it, a Community declaration is recommended — I am talking now about paragraph 38. This causes me certain difficulties. We feel that this is in fact no longer necessary, and that it is clear that human rights will not be infringed. However, in the Commission's considerations there is one passage to which I would draw your attention. The Commission states that such a declaration would have to be adopted without giving rise to long discussions on its contents. It is indeed true that 'if there were not immediate agreement between the Institutions involved on the declaration, . . . such an attempt would be of no use and even dangerous. It might create doubts — not justified as to the credibility of the Community institutions in the field of fundamental rights'.

This is the situation in which we find ourselves. A solemn declaration has been proposed. We can ask ourselves as often as we like whether this is in fact necessary, but at the moment we can only do one thing, and that is to make this declaration. Although I remain unconvinced of the need for this declaration, it appears to us at the moment to be an absolute necessity to adopt this declaration. We don't need long speeches about this, because we can all agree. I will not alter one word as regards this, and we are therefore prepared to approve Mr Jozeau-Marigné's report.

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

**Mr Emile Muller.** — (*F*) Mr President, the report submitted by Mr Jozeau-Marigné in 1973 and the resolution then adopted by this House reflected a number of fears as regards the safeguarding of the fundamental rights of citizens of the Member States when drawing up Community law.

Three years later, the results of the activities of the Commission and the development of case-law in the court of Justice now enable us to say that definition of, and respect for, fundamental rights in the Community as a whole are guaranteed in a completely satisfactory manner.

We are fully in agreement with the motion for a resolution which has been submitted to us today. In particular, we believe that in the present state of European integration the adoption of a charter of fundamental rights would indeed not be fully justified in so far as the present system of defining and protecting these rights bears witness to a Community conception of civil liberties which, one can say, have been established according to the highest standards, since the

case-law of the Court is based on the system of the Member State which offers the greatest protection.

What we now in fact have is a definition of fundamental rights for the Community based no longer solely on the economic provisions of the Treaty but on far wider principles, inspired by both the constitutional traditions of the Member States and conventional international instruments.

Here I should like to place especial emphasis on a point which we as Liberals consider vital: recourse to 'practical and pragmatic solutions' — to quote the expression used by Mr Jozeau Marigné — will not involve simply changing national rules into Community rules; this is what the Court of Justice means when it says 'the safeguarding of fundamental rights, whilst taking as its inspiration the constitutional tradition shared by the Member States, should be guaranteed in the framework of the Community's structure and its objectives'.

There is, therefore, a real Community conception of civic liberties which necessarily imposes, in the general interest, limits on the exercise of fundamental rights; in other words, fundamental individual liberties based on common constitutional traditions should not conflict with Community obligations to the general interest.

In conclusion, I should like to return to one of the incidental consequences of the Rutili judgment, which as we know, makes explicit reference to the European Convention on Human Rights.

While all the Member States have ratified this Convention, France alone has not signed the declaration laid down in its Article 25 authorizing individual appeals to the European Commission of Human Rights where its provisions have been infringed. One can only regret this refusal on the part of one Member State, because it means that the citizens of the Community receive different treatment according as the country in which their rights have been violated does or does not accept such individual appeals.

The Rutili judgment will not, of course directly alter this state of affairs, since the system of safeguarding fundamental rights at Community level is not linked, at the moment at any rate, with that of the European Convention of Human Rights. However, it might have the affect of encouraging the French authorities to reconsider in the near future, and, I hope, very thoroughly, their attitude in this matter. It should in any case enable an individual who has lodged an appeal with a French court to see that effective official recognition is given to an infringement of the Convention, as provided for in Article 177 of the Treaty of Rome.

The European Court of Justice in fact, asked to give a ruling on Community law, will in future incorporate fundamental rights as laid down under the Convention on Human Rights into the Community's legal system.

### Emile Muller

This leads us to emphasize in a general sense the need to find in future a solution to the problem of finding concordance, in this field, between the jurisdiction of the European Court of Human Rights in Strasbourg and our own Court of Justice.

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

**Mr Cousté.** — (*F*) Mr President, ladies and gentlemen, the problem of safeguarding fundamental rights in the European Economic Community — that is, to take the extremely appropriate expression just used by my colleague Mr Broeks, safeguarding European human rights — has been with us, to be honest, since the very creation of our Community. Even in the Treaties we find provisions whose aim — or at least, as I see it, whose effect — is to guarantee and to improve the position of the individual in the Community: I am referring to Articles 7, 48, 52 and 57, 117 and 119. It is on the basis of some of these that the European Court of Justice in Luxembourg has handed down important judgments concerning the safeguarding of fundamental rights.

In doing so, it has provided graphic illustration of what President Robert Lecourt said on 7 October last during a formal sitting. He declared: 'A judge is not a wax figure seated in a closed universe of unbending law. A frozen judicial system would only exacerbate by delaying the development of the Community remedy our countries have wanted to administer'.

However, as other speakers have said, although the Treaties have granted to the Community institutions considerable powers of legislation and even of decision, we have to recognize that they have failed to spell out in so many words the fact that these institutions have an obligation, in *carrying out* their tasks, to respect the fundamental rights of undertakings and private individuals. As a result, the Community does not possess any catalogue of fundamental rights, of human rights, even though their activities in the economic and trade spheres — as Sir Derek has just emphasized — affect the life of every citizen. This point was emphasized several months ago by our colleague, Mr Rivierez, who, you will recall, stressed this aspect of Community life during an important debate.

The ideal, as Mr Broeks emphasized, would be to achieve universal, European and uniform safeguards of fundamental rights which applied to all acts, whether by national or Community authorities.

This is an objective which may be reached under a political union, a European union, but remains at the moment, to put it bluntly, in the realms of the impossible because each Member State has its own fundamental rights and its own traditions. Moreover, as Mr Émile Muller just pointed out so rightly, whilst all the Member States have ratified the European Convention on Human Rights, various states — and not only France — have done so with specific reservations.

Would it, therefore, be desirable to desist for the time being from making national fundamental rights into Community ones and to begin by drawing up a sort of catalogue of such rights in respect of acts of Community bodies?

This does not seem to the Group of European Progressive Democrats to be the correct approach.

Just a few weeks ago, we were in Washington exchanging views with a delegation of American parliamentarians. President Spénale, Mr Broeks, Mr Hougardy, Mr Schwörer, Mr Stewart and myself, echoing the views of our American colleagues Senator Pell, Mr Biester, Mr Crane, Mr Fraser and Mr Tsongas on the problem of human rights in the world and not just in the Community context, all emphasized what great store we set by having the human rights of the individual safeguarded by independent judges as well as by written guarantees.

Speaking practically, therefore, three approaches suggest themselves for filling the gap to which I have pointed. There are certainly grounds for thinking that the compilation of a specific catalogue of fundamental rights, necessary as it is, will be possible, I hope, with the arrival of political union — in other words, in a functioning European Confederation — but not before.

This solution would have the advantage of being precise and clear-cut, but there is a real risk, as Mr Broeks has said on other occasions, of seeing the emergence of a sort of catalogue based on the smallest common denominator, which would not be in the interests of anyone and would constitute, to be frank, a step backwards *vis-à-vis* the present situation of national law and, indeed, Community case-law.

Moreover, the co-existence of a limited catalogue of Community fundamental rights and the protective national fundamental rights of the Member States would be a source of conflict.

What is more, a list of this kind would run the risk of being considered exclusive and would have the unfortunate consequence, in my view and in the view of my group, of being interpreted restrictively by a large number of judges.

The second approach, therefore, would be, instead of the 'catalogue', a *ratification of the European Human Rights Convention together with all its additional protocols*, not by the Member States and the signatories, but *by the Community as such*, as a subject of international law. But this would then presuppose a fundamental change, which I am sure was in Mr Muller's mind during his speech — namely, the amendment of the Human Rights Convention. It is, in fact, something to which only states can adhere and it would thus have to be amended to enable the Community as such to become a signatory.

## Coûté

Moreover, the mechanism for safeguarding these rights would also have to be adapted; that is to say, a solution would have to be found for incorporating into this whole complex the normal activities of the Committee of Ministers of the Council of Europe, which is the body responsible for the safeguarding of rights. In short, a somewhat more difficult proposition.

Finally, and this is my third argument, how would we go about settling the conflict of responsibilities which would inevitably arise between, on the one hand, the Strasbourg Court and, on the other, the European Court of Justice in Luxembourg.

Consideration by the Court of Justice of the normative part of the Convention would in fact be liable to result in different interpretations of it by the Strasbourg Court on the one hand and the Luxembourg Court on the other. This is something which the Legal Affairs Committee has stressed on other occasions.

Finally, setting up a referral procedure, based on Article 177 of the Treaty, strikes us as being far from desirable, and there are two reasons for this. Firstly, what weight would an intervention by the Strasbourg Court, amounting to no more than a simple recommendation, carry in cases pending before the Court of Justice in Luxembourg?

Secondly, once this Convention has become an integral part of Community law, it will be up to the Court of Justice in Luxembourg, *alone*, to interpret it, because the latter is the sole interpreter of Community law!

As I see it, then, it would be difficult to commit ourselves to this second approach.

The third approach is the one being pursued by the Court of Justice in Luxembourg. It seems to us to be the best. The chairman of the Legal Affairs Committee, Sir Derek, emphasized it and I share his opinion. Why? Because this approach offers the most in guarantees and in flexibility, and, I would say, has the most life in it. One might certainly object that the establishment of a praetorian body of law covering fundamental rights or human rights would represent a complex and lengthy task. However, in a work which has just appeared and which is an event in itself, entitled *L'Europe des juges* by Robert Lecourt, former President of the Court of Justice of the European Communities, the author states precisely what we as parliamentarians feel but can express less clearly. If we turn to page 209 of this book we read the following:

Would this freedom for people to move within the Community, to work, to carry out all manner of services, to set up residence, be at all meaningful if it did not at the same time guarantee them the same fundamental rights as those enjoyed by national citizens? Even without the Treaties having to mention these rights, is it

not self-evident that the judge must ensure that they are respected? And when the Treaty gives the Court the task of ensuring respect for the law, does this not also imply the protection of fundamental rights? If not, what would have been the point of the principle of non-discrimination in Article 7? The answer is all the clearer in view of the fact that the rights of the individual do not differ fundamentally from one Member State to another and that all are based on the same type of civilization which respects the same values.

The guiding light of the judge in this matter therefore remains the preservation of the uniform application of Community rules. The consequence of this is that a fundamental right should be protected not only in one Member State but in all. The Community will gain from it in coherence and individual rights will be expanded.

You cannot be clearer than that, and the authority of a former President — it is only a few days ago that he was still President of the Court in Luxembourg — is in my view decisive.

Let us therefore express our gratification, as my colleagues have done before me, that the evolution of the Court of Justice's case law should bear witness to an ever-growing understanding of the need, in this Europe that the judges have constructed, for continually improving the protection of the individual. This case law, which began with the Stauder Judgment, now includes, as the chairman of the Legal Affairs Committee has said, the Rutili Judgment, and that is real progress.

In conclusion, Mr President, I would say quite simply we should approve the Jozeau-Marigné report.

I should like to wind up these few words — all too brief in view of the importance of the subject — by once again quoting from President Lecourt's remarkable book:

In this way, the rules governing goods and persons meet in the melting pot of the rights of the individual, judicially protected by the Community. Their consideration over the years has shown how, in every sector, they have enabled judges to introduce integrating factors into multi-national relations, thus welding the Community more closely together day by day.

How, then, can we not welcome the opportunity this debate gives us, regardless of where in the House we are sitting and of our political allegiance, to join together and declare: yes, human rights are worthy of our concern!

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

**Mr Bordu.** — (*F*) Mr President, the subject of this debate is the observance of fundamental rights under Community legislation. We shall also have a contribution to make, at a later stage on the problem of violations of freedoms when the debate takes place on this subject on the basis of a joint statement by the three Community institutions.

## Bordu

To shed light on both today's and tomorrow's debates on these matters, we would simply point out that, as the Commission report states, there can be no democracy — and we would say no real democracy — unless the protection of human rights is recognized and civil freedoms are guaranteed, and this applies to the Community countries, even where they have special legislation.

In its report the Commission takes stock of its activities with regard to fundamental economic and social rights and proposes a programme of action for migrant workers. These workers have in fact been the first victims of the recession in certain member countries of the Community. The Council directive on equal pay for male and female workers is obviously not having any effect. The proposal for a directive ensuring equality between men and women in employment, occupational training and advancement has not produced outstanding results either.

Those are just a few examples illustrating the fact that there are few recognized theoretical rights and even fewer real ones. It is acts and results that count, and it is evident that economic and social realities in the Community completely contradict the letter of the Treaty of Rome.

It is all very well to talk about fundamental rights, but these rights must have some real content. 'Rights', as an abstract concept, is meaningless. How can one ignore, for example, the contradiction between the Commission's proclamation of freedom of establishment or the free enterprise, and the activities of the multinationals, and the bankruptcies of small and medium-sized undertakings? How can one ignore the fact that of the five thousand million francs loaned by the European Investment Bank in 1975, only one per cent has gone to small and medium-sized undertakings?

There is also a contradiction between the Commission's declarations with regard to unemployment and its support for the Barre plan in France, and what about the Commission's medium-term economic plans which specifically allow for a three-per-cent rate of unemployment and encourage redeployment which will in turn create further unemployment?

There is a further contradiction between the farmer's right to live on his own land and the expropriations and bankruptcies of hundreds of thousands of family holdings since the establishment of the Common Market. The French Communist Party has therefore asked for 4000 million from the EAGGF to save hundreds of thousands of farmers in France.

Finally, there is a contradiction between the right to the quality of life or to essential facilities, such as housing, as proclaimed in the decision of 24 July 1976, and the latest trends in the budgets of the Community countries, which recommend income

controls, reductions in public services and attacks on social-security systems.

These fundamental rights must be protected by practical measures. The French Communist Party, supported by other parties, has therefore put forward practical proposals to ensure this protection.

These proposals are contained in a draft declaration of freedoms submitted for discussion to the French people in June 1975 and containing 89 Articles, 33 of which are devoted to economic and social rights. After that decision was taken, a parliamentary committee was set up to hear those concerned, both individuals and representatives of organizations, on the question of freedoms.

Article 19 of this declaration states with regard to employment, a particularly topical matter:

The right to work is a fundamental right. It is the duty of the public authorities to guarantee this right by adopting the necessary measures to eliminate unemployment, short-time work and under-employment, and to ensure that no worker can be dismissed unless the enterprise concerned or the State has found him a new job. They alone shall be responsible for the placement of workers.

The declaration also contains proposals regarding lock-outs, the remuneration of workers, the right of association and political rights of wage and salary earners in enterprises, the right to information in the enterprise, trade-union activity, the right to strike, the functioning of works' council, social security and the protection of health, young people, the family, the aged and the physically handicapped.

Here again, we are dealing with the fundamental rights of workers.

With regard to the right to housing, Article 44 stipulates:

The right to housing is a fundamental right. This right shall be guaranteed by the general protection of the rights of tenants and by the construction of a sufficient number of social dwellings.

Article 46 deals with private property, which is also a fundamental right. It provides that:

Private property shall be safeguarded. No-one may be deprived arbitrarily thereof. Everyone shall have the right to acquire property by working and saving. The public authorities shall guarantee fair remuneration and protect the purchasing-power of savings.

That, too, is a fundamental right.

To sum up briefly, we suggest that special attention should be paid to the problems of the right to employment, education and occupational training, the right to better conditions of pay and work, the right to the satisfaction of major social needs — housing, health, culture, public services, transport, etc. — the right to active participation in every aspect of social life, which presupposes the observance of rights in the field of information, the press, the right to greater democracy in industry and rights at local and regional level.

**Bordu**

Mr President, ladies and gentlemen, those are the comments we wish to make today on these matters. The points I have made are important, because they lend substance to what has been said by previous speakers, who, though they spoke of 'rights' in general, did not specify what these rights were in concrete terms.

**President.** — I call Mrs Ewing.

**Mrs Ewing.** — I thank Sir Derek Walker-Smith for his presentation of the report of Mr Jozeau-Marigné and for his infinite patience in chairing the Legal Affairs Committee.

The debate, while perhaps of interest in some ways to lawyers than others, may be a very important one, because, if one thinks not only of the economic rights of which the previous Member spoke but also of the judicial and political rights which are another aspect of the matter, then certainly the debate will go into the legal section of every lawyer's library.

In my view, it is not as difficult a matter as has been suggested by innuendo in some speeches. To try to protect fundamental rights within one Member State may be a more difficult task than in this Assembly. For reform of rights law, whatever the right be, there never seems to be much parliamentary time available; at least, not in the parliament I attend.

It may be that the Legal Affairs Committee, drawing from the strengths of lawyers and others — indeed, it is good to have laymen — from all Member States, can achieve what was done in Europe some centuries ago when lawyers borrowed the best ideas they could find in those countries which were influenced by Roman law. England, of course, had already produced its own very distinguished legal system, thus dividing the jurisprudence of the world into two systems, the English system and that based on Roman law.

I must disclose an interest here. I am a Scots lawyer and we Scots were first influenced by the Europeans through the Roman system when in Europe there was interchange of students between universities. For example, in Scotland it was usual for our students to attend a university in one of the European countries when the common language was Latin and ideas were exchanged. England has taken her legal system throughout many parts of the world. Thus in my country, Scotland, there was the interchange of a union with England. As a result, Scotland had the benefit of some good ideas from the English system, as, indeed, they did from us.

This is happening in the Legal Affairs Committee. In my view, we could have a quite considerable achievement on behalf of the EEC in the matter of fundamental rights.

I take issue with speakers who have suggested that protecting fundamental rights for every citizen of very

Member State should in some way be delayed by, or dependent upon, an economic, monetary or political union. I do not think that is necessarily logical. There is no reason why we should not advance along this avenue if we can do so with the agreement of all Member States.

No Member State that prides itself on some aspects of its protection of rights, be they judicial, political or economic, will want to lower standards. None of us will wish to lose anything in the way of rights. But if one country can borrow a good idea from another country which protects rights to a greater degree, then I suppose that first country will want to borrow the idea and have an equalizing up, never down.

It is said that, if one is accused of committing a crime, Scotland is the best possible place in which to be tried. I do not know whether that is necessarily true, because we had a very bad blot on our escutcheon recently in connection with a case where a man was released after years of imprisonment after having been wrongly, they now say, convicted.

We could all learn from each other. We should aim at improving by learning from another country. England has certain aspects of its judicial rights which in my view are superior to those of my country. I believe this works both ways. In my opinion, Scots law in many aspects is infinitely superior to French judicial law. A Frenchman would probably take issue with me on that. I am sure that as in the past we learnt from one another in Europe we can do so again. We should press on with the task without necessarily relating it to other aspects of what has to be done in the EEC institutions.

I praise the Court, that institution of the EEC. I am particularly interested in the case law that is evolving. I think that the Court is doing a magnificent job: it is adding something to our rights. It is not taking away rights from us. In this way it is the forerunner of what I see as a possibility for the Legal Affairs Committee. Sir Derek may not like the headache of even more work, but I am sure that it would be possible for a catalogue of rights to be drawn up. I come out on the side of such a catalogue. Some of the speeches have not made it plain whether the speakers are on the side of a catalogue. I wish to make my position plain. I favour people knowing as far as they can what their rights are. Although we have shown great skill in the United Kingdom in developing unwritten constitutional rights, nevertheless I still think that codification has something to commend it.

At a time when we are looking forward to direct elections and when we all accept that it will be a little difficult to get across to the man in the street in the various countries exactly what the elections mean to him, I think that a catalogue of fundamental rights, in no case taking anything away but adding to the rights by taking the best that we all have, is one of the best

**Ewing**

ways of enabling the man in the street to see the importance of a directly-elected Parliament.

As to what the rights are, we have had little spelling out and probably that would be a matter for a separate study of comparative law. It would be a long study. Perhaps two years might be necessary, but I am sure that two years would be enough. If one studies the codification of various systems of law in Europe, one sees that it is amazing what codifications were accomplished.

If I might just put my Scots oar in for a minute, we should have had a codified system if we had not joined with England in 1707. It might have enriched our law that we did not, because we have the double influence.

Obviously we must have categories of rights within the catalogue. The speaker who preceded me spoke about economic rights to a great extent — the right to work, equality of pay. That is one aspect. I suggest that we should not delay the attempt to have a catalogue by saying that we must do it all at once. The rights could be divided into sections including social rights, political rights and judicial rights. We could start with judicial rights, because these would perhaps be less controversial. We might make quick progress on judicial rights, because it is not terribly difficult for lawyers with experience of these systems, when they get together, to note that perhaps one system offers a fairer deal for people in custody or before tribunals than another system does.

I suggest that we first look with favour on the ultimate aim of a catalogue as bringing the reality down to everybody and making it as simple as possible so that it is written. It does not have to be written for all time. If we find that the writing is not good enough it can be improved.

On the judicial side, one immediately thinks that it might not be very difficult to decide, for example, on a minimum level of legal aid within the Community, to make an agreement on extradition, and to have a set of rules for people in custody.

On the political side, there is the right to join a union or not to join a union. We have already frequently discussed in this place the rights of women to be together. I do not think that I need to say more about that — I think that we are all agreed. The Legal Affairs Committee could make progress in aiming at a catalogue if that were the accepted view of the Assembly.

There is always a tendency to say, 'If we do not have it written down perhaps we can do better'. There is an argument for non-codified law. I suggest that when we are trying to bring together different legal systems there is an argument for the catalogue. If the Legal Affairs Committee could do much of the preliminary work and if the Commission could do much of the comparative law studies, this might, perhaps, be one of the most meaningful tasks for the directly-elected Parliament which we expect in 1978.

**President.** — I call Mr Lenihan.

**Mr Lenihan.** — This report comes at a very appropriate time. As we move in Parliament towards the direct election of its Members by our peoples, it is very important that we devote our attention to what I regard as the very important matter of protecting human rights within the Community. We are moving at a very slow pace towards European Union.

I agree with the last speaker that it would be a negative attitude on the part of Parliament and the Community to wait for European Union or for an advanced stage of progress towards European Union before we codified the fundamental rights of our citizens. I feel strongly that we should now work, in advance of European Union, towards a form of European charter or a catalogue of fundamental rights.

As a lawyer, I appreciate the diversity of the legal systems in our Member States. I appreciate the divergence between the ruling common law system, but at the same time there is one matter that is fundamental to each system and to every court of law—that is, the basic right of the citizen.

I believe that the differences in legal codes of themselves, however legalistic the obstacles may be, should not prevent a Community effort to ensure that the same rights of citizens obtain in each part of the Community and are available in each Member State to each citizen from every part of the Community.

Democracy is what we all agree on here. It is one of the basic reasons we are gathered together in Parliament. It is one of the basic conditions for the coexistence and integration of Member States within the Community. Respect for human rights and fundamental freedoms is a very essential part of my interpretation of democracy, the essential part that distinguishes democrats from people who believe in totalitarianism, the essential part that ensures that the individual citizen has a right to develop his or her personality within a democratic environment to the fullest extent that his or her aptitude can lead that citizen to. I believe that there can be no democracy without recognition and protection of human rights and the guaranteed freedom of the citizen.

The question has been raised already today by our distinguished colleague Mr Bordu as to what these fundamental rights are. I go along with the catalogue of economic rights as being important, but I suggest that as a precondition, and as a first essential prior to any economic rights, there must be the basic political and legal rights of the individual — the right of the individual to speak freely, to organize freely within groups in the society to which he belongs without interference by the State — subject to the law of the state interpreted by the independent courts to which that citizen can have recourse in protection of his individual rights.

## Lenihan

I suggest in all humility that the *habeas corpus* procedure operated under the common law system might profitably be adopted generally across the board as being an effective method of securing such individual recognition as regards the person who feels himself victimized by the state. There is the right to protection of person and property, against subject to law.

All of these matters are fundamental preconditions to any economic order of rights and, provided we get our priorities right in this respect, I believe that we can make progress.

The Commission has constantly considered how to safeguard Community citizens against discrimination and interference with duly acquired rights but, despite that, there are no specific guarantees in the Treaty of Rome for the protection of human rights and the safeguarding of civil liberties. That is a serious lack with which we must be concerned.

Furthermore, the courts of the Member States might be faced with a conflict in cases relating to Community law if the national standards of fundamental rights they were required to protect were to go beyond those recognized under Community law.

The citizen is also affected if Community law is not applied everywhere on a uniform basis. If the Community is to be of a truly democratic character, it is axiomatic that human rights and fundamental freedoms with regard to each citizen should be guaranteed at Community level. The European Community should have its own constitution in this respect, in amplification of the Treaty of Rome, which proclaims boldly to the world that the constitution is founded upon and guarantees the protection of basic human rights and fundamental freedoms, starting with political and juridical rights and moving on from there to economic rights.

A major disgrace in the 20th century is that torture is practised in many countries. I do not want to specify the countries concerned, but if torture is used on the basis of executive police authority, that is a matter of grave concern. Indeed, Amnesty International—a reputable world-wide body — has reported that in a country-by-country survey it was found that over half the countries represented in the United Nations deliberately torture prisoners as a matter of conscious policy. I do not want to make a point about this, but we have recently witnessed the use of torture and inhuman treatment to extort information from witnesses within the United Kingdom. My government have secured a judgment from the European Commission on Human Rights against the United Kingdom in this respect. These are basic legal and juridical facts.

This is a sad situation. We must examine the behaviour of states in their methods of interrogation and examination of witnesses and suspects prior to trial. This is an area that should be covered by a constitu-

tion to protect individuals from such treatment by the executive agency of any Member State within the Community. When we fail to take action at Community level to provide a legal framework within which citizens can appeal against the infringement of human rights, we fail to give adequate expression to the political will and the deep moral feelings of our peoples.

As we move towards direct elections, this is an area about which our people and the individuals in each of our member countries feel strongly and deeply, precisely because it is a deep moral and political issue based on the freedom of the individual. As a Community, we must give priority to this issue.

I agree with Mrs Ewing that we cannot wait until we have achieved a more advanced stage of European Union. This question is more fundamental and more important than Economic and Monetary Union. It is more important and more fundamental than any conceivable aspect of political, social, economic or financial union. It is basic to the reason why the Community was formed in the first instance.

The Universal Declaration of Human Rights and United Nations agreements are not enough to guarantee respect for the rights and liberties to which I refer. We must both extend international constitutional law and create new forms of guarantees.

Relations between states should be based on human rights. The rights of individuals and the possibility of appeal must now be consistently developed in line with the development of international legal and jurisdictional procedures. In conclusion, too often in the past we have taken refuge behind the hazy and legalistic doctrine of non-interference in the internal affairs of another state. That is made an excuse for doing nothing about breaches of fundamental human rights. The Community must take a lead by influencing each Member State of the Community towards enlightened and progressive policy attitudes by political leaders throughout the Community so as to educate the public in this fundamental matter which should be cherished by all people who believe in individual freedom. That is the great contribution that the Community can make, not just to the citizens of the Community but to the world. In a period of growing disillusionment, the Community can set an example of fundamental regard for the individual, not merely within the Community but throughout the world.

**President.** — I call Mr Ortoli.

**Mr Ortoli, President of the Commission** — (F) The Commission welcomes this debate, all the more so as your rapporteur and his committee have been kind enough to express interest in the manner in which we have presented this fundamental problem and in the conclusions we have drawn. It is not I, however, but the rapporteur and the committee who deserve to be congratulated, especially when one considers how

**Ortoli**

much time they have devoted to examining the ideas we put forward.

It emerges clearly from everything that has been said here on the matter that action is now being undertaken in our Community with a view to the recognition of fundamental rights, and this is a trend we all welcome. This action, which is essentially praetorian, is founded on the action of the Court of Justice, which has gradually developed — and Mr Jozeau-Marigné's report brings this out clearly — a case-law based on the best traditions of the Member States and on the Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950.

I am pleased to note that you join the Commission in acknowledging the value and effectiveness of this case-law which is now developing at an increasing rate. On this occasion, we should remember, in paying tribute to the Court of Justice, that this case-law is at present the firmest basis for Community intervention in matters of fundamental rights; hence the importance which, as several speakers have stressed, must be attached to its development.

There are other problems, however, which both Parliament and the Commission have touched on, in particular as regards ways in which we can gradually go further than this case-law of the Court.

In our report we have taken the opportunity of making an initial summary of systems of protection in the Member States. It emerges from this summary that substantially the same rights and guarantees prevail in all countries but that at the same time the protection mechanisms vary, in certain cases considerably, from one Member State to another.

This highlights the particular value of the idea, which several speakers have discussed, of undertaking the task — admittedly laborious but necessary — of codifying these traditions and the things which we regard as common to our nine Member States, comparing them and selecting the best from the point of view of the protection of the rights of Community citizens.

This is an important idea. As several speakers have already stated, I do not think it can be translated into immediate, concrete reality. But it is an idea which the Commission bore in mind during the discussions on European Union. And Mr Jozeau-Marigné's report reminds us what contributions were made on this subject when the reports on European Union were drawn up. We stated that in our view it would be necessary in the next phase — and the election of Parliament by universal suffrage will no doubt encourage this trend — to do more than just enunciate a general principle or note the existence of case-law — however good it might be — and produce

a fuller definition of something which is, after all, common to all of our countries.

What conclusions can we draw for the immediate future? Certainly the work must be continued. But we should also consider what can be achieved here and now without envisaging a formal amendment to the Treaties, which is probably not possible at the present time, though they should I think, eventually be amended as a natural part of the process leading towards European union.

We have suggested the idea of a joint declaration by the three institutions by which they solemnly committed themselves to respect fundamental rights in the Community legislation and administration process. This declaration would involve general recognition of the case-law of the Court of Justice which, by its very nature, relates exclusively to the settling of individual cases.

The Commission and I are pleased with the positive response with which this proposal for a declaration has met from the members of the Council and from your Legal Affairs Committee. I trust that Parliament will respond in similar fashion, since its committee has put forward, in the report under discussion, the opinion I have just expressed.

Mr President, if Parliament shares this view and adopts this motion for a resolution, we for our part shall be willing, as we have said, to make our contribution to producing a draft acceptable to the three institutions with a view to achieving this first important practical step. It will probably not be enough, but it will at least take us beyond the framework of individual decisions and express our collective opinion and provide a sort of framework for the case-law of the Court as it is today, without amending it but acknowledging its value and scope. Moreover, there is yet another task which must not be neglected, that of institutionalizing at the earliest opportunity an optimal system of protection in our Community in the process leading to European Union.

**President.** — I call Mr Ellis.

**Mr Ellis.** — I speak as a non-lawyer who feels a little over-awed at some of the real legal difficulties presented by the development of the protection of human rights, notably by Mr Cousté, but I speak also as a Member of this Parliament — as a man. I am sure that every Member would speak similarly, concerned to have human rights protected and sustained and enlarged. Therefore I welcome the reports — both the committee's report and the Commission's report — and I must say I am sure that the Legal Affairs Committee and the Parliament will agree with them that there is undoubtedly a long way to go. If I had a criticism of the report by the rapporteur, it would be



## Ellis

that I detect here and there a slight element of complacency and self-satisfaction. For example, Sir Derek Walker-Smith, with the lucidity characteristic of an eminent jurist, quoted paragraph 5 in the motion for a resolution and spoke about the protection of these rights being now very clearly guaranteed by the Community. In a narrow sense that may be so, but Sir Derek also spoke of the whole question of access to the Court, and to the extent that access is not as easy as it might be the guarantees are less all-embracing.

Therefore, I welcome the report but emphasize, as a number of other speakers have done, that we have a long way to go.

The real problems arise where we have differences of traditions and customs — differences almost of standards — between the various Member States. I take Mr Cousté's point, but when he was speaking I was becoming a little worried because he seemed to have a difficulty for every solution. I was relieved when, at the end, he agreed that the Court's case-law approach seemed to be a satisfactory one. I agree about that, but I also feel that the other approaches are not to be despised. When he was talking of the possibilities of harmonizing he pointed out the real difficulty of harmonizing downwards. I take that point, but I am not so worried about it as he appeared to be. The European Court has on a number of occasions produced findings emphasizing the primacy of Community law in certain circumstances. The famous AETR Case deals essentially with the relations between the Community and Member States, and I quote from some of the findings of the Court in that case :

In particular, each time the Community, with a view to implementing a common policy envisaged by the Treaty, adopts provisions laying down common rules, whatever form these may take, the Member States no longer have the right, acting individually or even collectively, to undertake obligations with third countries which affect those rules.

That same decision goes even further and says :

These Community powers exclude the possibility of concurrent powers on the part of Member States...

The whole point of that is, as Sir Derek made out, not only something arising out of the Treaty ; it refers to relations between the Community and Member States and is concerned essentially with social and economic matters rather than matters of individual human rights. Nevertheless, it was a step forward.

In other cases, the Court of Justice has emphasized the relationship between the Community and the individual. Here we are getting a little nearer to the whole question that we are debating today. In the famous Van Gend and Loos case — I quote again from the decision of the Court — it was said :

The conclusion to be drawn from this is that the Community constitutes a new legal order... the subjects of which comprise not only Member States but also their

nationals... Community law therefore not only imposes obligations on individuals but it is also intended to confer upon them rights which become part of their legal heritage. These rights arise not only where they are expressly granted by the Treaty, but also by reason of obligations which the Treaty imposes in a clearly defined way upon individuals as well as upon the Member States and upon the institutions of the Community.

That is a step forward, but still we are working within the terms of the Treaty.

The whole point of this report — and the heartening part of the report — is that the Court itself, by means of its case-law, has pushed along in a very pragmatic way — perhaps 'praetorian' is the word — its fundamental rights.

I want to do something I do not frequently do — quote from a committee of the Upper Chamber of the British Houses of Parliament. Discussing the case-law approach undertaken by the Court, it says :

The present system has the great benefit that the European Court is building up by its decisions an eminently practical and enforceable body of law which is to be preferred to mere general statements of rights.

That is perfectly sound, so far as it goes, but when you come to the real question of taking the next step forward, very real problems arise. Seven or eight months ago, in this Chamber, I had the privilege of raising the question of the judicial procedures of a Member State. I say this well knowing, as Mr Lenihan pointed out, that the United Kingdom Government have recently been arraigned before the European Commission and been found guilty of a breach of the Convention. I feel at liberty to say that I was concerned with two aspects of the judicial system of the Member State concerned, that is to say, first the question of detention without trial — I do not mean in a very special situation, an insurrectionary situation, but as a normal civil course of events — and, secondly, the question of the actual court's being to some extent under the direct control of the political executive.

It is here that Mrs Ewing misses the point, as does Mr Lenihan, about the great advantage to be gained by having a federal Europe in advance of this point. That is not to say that we should wait until we get a federal Europe, but the key point about a federal Europe is that in the federal situation you would successfully bury what I would call the hegemonic corpse. It is by the very cussedness of human nature and of national governments and their hegemonic position that they are able to act without the necessary judicial objectivity, whereas with a federal system to some extent that objectivity is reinforced and the ability to rough-ride over a particular charter or convention is minimized. That is why I welcome the development of the Community into a federal situation whereby in this regard — as Mr Lenihan said, this is an extremely important issue that we are dealing with — we can achieve, an objectively applied charter of human rights.

## Ellis

As Sir Derek said, quoting Judge Pescatore, there are many questions still open. I can only hope that the Commission and the Parliament jointly are able to approach the Council and get the three institutions to adapt their systems to the very reasonable approach of taking the next step forward; that is, to continue to develop the case-law and to codify it — I do not share Mr Cousté's fear about codification problems; there are all kinds of ways in which one can codify successfully upwards — and, as a practical step forward, get this declaration from the three institutions. That in itself, to some extent, if it were declared and proclaimed loudly and not in any muted sense — to the extent that it is proclaimed the hegemonic situation would be slightly eroded — would mean that we were well on the way towards a further advance in this extremely important subject of the protection of human rights.

**President.** — I call Mr Scelba.

**Mr Scelba.** — *(I)* Mr President, ladies and gentlemen, the importance of the document we are considering today lies more in the sentiments that it expresses and the guidelines that it offers for our future work than in the practical consequences that will stem from its adoption.

After all, even though it has been criticized from many quarters (amongst them President Ortolí, whom I am sorry not to see in the House), a statement drawn up by the Commission, in which Parliament, the Commission and the Council of Ministers pledge themselves to respect fundamental rights, can only be, it seems to me, a purely symbolic document. What I mean is that it would be very odd if the Council of Ministers or the Commission or Parliament, not to mention all three, could act in deliberate violation of fundamental rights. A statement of this kind therefore, even if adopted by Parliament, would add nothing to the rights that citizens already possess. Today's statement, therefore, is important in the sense that it reaffirms our resolve and our intention to strengthen and safeguard fundamental rights to an even greater extent than heretofore.

When we speak of fundamental rights, we think immediately of those rights that fall at present within the terms of reference of the European Communities, that is to say, we refer directly to economic rights. These can be strengthened by the possibility of appeal to the Court of Justice to ensure that fundamental rights are not infringed in the course of exercising economic rights. This is important, even if it is inadequate. Given the Community's limited powers, this resolution will not inspire enthusiasm in its citizens nor will it give a new impulse to the Community. I feel that we must get away from this restricted framework and tackle a broader and more important question, namely, that of civic and political rights.

Furthermore, we must tackle the question of these rights not only insofar as they depend on the European Community but also insofar as they are affected by the activities of the various Member States. If there is one serious danger for the citizens of the Community, a threat which might set up profound inequalities within the Community itself, it lies in the fact that Member States can act in violation of fundamental rights, both civic and political. Citizens are helpless in the face of possible violations of this kind on the part of Member States.

If we aim at establishing a political Community, and that indeed is what we are aiming at, we must also work towards ensuring equality for all citizens of that Community. And if they are equal, that means that all enjoy the same rights and the same legal protection. But a system of legal protection that consists solely in appeals to the Court of Justice is not adequate. Indeed, Mr President, we know very well that there are various international tribunals to which citizens can appeal if they feel that their rights have been violated, but we also know how little these appeals generally achieve. We must therefore devise new ways and means of safeguarding the rights of citizens in this Community, ways and means, Mr President, which entail no less than direct intervention on the part of Community institutions in defence of citizens who feel that their rights have been violated. It is not enough to say to the individual citizen that he is free to go before a legal tribunal and defend himself; this is no real defence of his fundamental rights.

The most effective method would seem to be for the Community institutions to take official action to have the Court of Justice pronounce on violations of which Member States were accused and lay down the penalties to be imposed on these Member States in the event of their being found to have infringed the fundamental rights of their citizens.

This is the real problem, and it is, above all, a political problem. It has been said that we shall be able to solve this problem within the framework of political union. It is true that an amendment tabled by myself and adopted by the House inserted an additional clause into the resolution on European Union, affirming the principle that European Union must be accompanied by the proclamation of a charter of the rights of European citizens. However, I feel that we can partly anticipate this declaration. That is why I cannot share the anxiety expressed by some speakers that a catalogue of fundamental rights should be drawn up. If we take this line, Mr President, it will be very difficult for us to arrive at any conclusion.

I feel, moreover, that there are other ways of ensuring effective and prompt protection of the fundamental rights of our citizens without having to draw up a catalogue or wait for European union, but rather as an

**Scelba**

initial and preliminary aspect of that European union. I shall not harp on this topic, Mr President, because it is already being considered by the Political Affairs Committee. As the rapporteur appointed by Parliament, I have sketched the problem of a real and effective legal protection for the fundamental rights of citizens, and not only of their economic rights but also of their civic, and political rights, and furthermore not only in relation to the activities of the Community institutions but also to those of the Member States. I believe that when the Political Affairs Committee has considered this document it will be put before the House, when we shall have an opportunity to debate the entire problem at greater length. I hope that it will then be possible to voice even more vigorously the Assembly's resolve, which is expressed today in the adoption of this preliminary resolution, to get down to the task of further safeguarding the fundamental rights, including the civic and political rights, of the citizens of our Community, because we realize that by doing so we shall be contributing to the cause of advancing and developing the European Community.

*(Applause)*

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

The resolution is adopted.<sup>1</sup>

12. *Agenda for the next sitting*

**President.** — The next sitting will be held tomorrow, Wednesday, 13 October 1976, at 10 a.m. and 3 p.m., with the following agenda :

- Question Time ;
- Oral Question on *détente* in Europe ;
- Oral Question on customs procedures ;
- Joint debate on the oral questions on International Women's Year and on women in the Europe of the Nine ;
- Joint debate on the oral questions on fishing zones and on aquaculture.

The sitting is closed.

*(The sitting was closed at 7 p.m.)*

<sup>1</sup> OJ C 259 of 4. 11. 1976.

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## IN THE CHAIR : MR SPÉNALE

*President*

*(The sitting was opened at 10.10 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. *Membership of committees*

**President.** —I have received from the Socialist Group a request for the appointment of Mr Waltmans to the Committee on External Economic Relations to replace Lord Walston.

Are there any objections?

The appointment is ratified.

3. *Tabling of a motion for a resolution*

**President.** — I have received from Mr Gerlach, Mr Adams, Mr Behrendt, Mr Flämig, Mr Hansen, Mr Lange, Mr Lautenschlager, Mr Willi Müller, Mr Seefeld and Mr Such a motion for a resolution, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on the period of application of the compulsory addition of skimmed milk powder to animal feeds (Doc. 352/76).

I shall consult Parliament on the urgency of this motion for a resolution at the beginning of the afternoon.

4. *Question Time*

✓ **President.** — The next item is questions addressed to the Council and the Commission of the European Communities (Doc. 344/76), in accordance with the provisions of Rule 47A, paragraph 1, of the Rules of Procedure.

I would ask Members to put their questions in strict conformity with these rules.

We shall begin with the questions addressed to the Council. The President-in-Office of the Council is requested to answer these questions and any supplementary questions.

I call Question No 1 by Mr Hamilton :

Will the Council state if their attention has been drawn to reports that certain international companies, with the connivance of some of the Member States of the EEC, have sought to fix the world price of uranium? Does the

Council agree that such arrangements conflict with the terms of the Treaties, and what action does the Council intend to take?

I call Mr Brinkhorst.

**Mr Brinkhorst, President-in-Office of the Council.** — *(NL)* I can tell Mr Hamilton that the Council's attention has not been drawn to the reports to which he refers, in which certain international companies are accused of seeking, with the connivance of some of the Member States of the EEC, to fix the world price of uranium. I should also like to point out to the honourable Member that it is in any event for the Commission, as guardian of the Treaty, to take the necessary steps to examine such practices more closely.

**Mr Hamilton.** — In view of the fact that, as the President in Office has indicated, it clearly is a matter for the Commission, can the Commission take the opportunity of confirming that it is indeed examining a file on the uranium cartel set up several years ago by France, the United Kingdom, Canada, Australia and South Africa; and when will the Commission be in a position to make a statement on this extremely serious and important matter?

**Mr Osborn.** — Bearing in mind the recent proposals for a minimum base price for oil and the outcome of the UNCTAD IV Conference, are not uranium producers, like other raw material producers, in a very strong position? However, is not a fixed uranium price desirable in the form of a uranium international commodity agreement — there is the Uranium Institute — giving worthwhile prices to producers and stable prices to users as well? Will the Council seek that advice from the Commission as well?

**Mr Brinkhorst.** — *(NL)* This is an interesting question. I think that both producers and users in the Community have an interest in stable prices in the energy and raw materials sectors. Moreover the problems of uranium cannot be regarded separately from those of other energy producing materials.

**Sir Derek Walker-Smith.** — Would not the President-in-Office of the Council, who is an eminent lawyer as well as a Minister, agree that the form of this question as addressed to the Council is wholly misconceived? Is it not clear that the responsibility for investigating suspected infringements of Articles 85 and 86 of the Treaty dealing with restrictive practices and abuse of a dominant position are matters for the Commission and not for the Council? Is it not equally clear that questions of interpretation of the Treaty as referred to in the question are matters for the European Court of Justice under Article 177 of the Treaty and not for the Council either?

**Mr Brinkhorst.** — *(NL)* It is not for me but for the questioner to judge whether the form of the question is correct. I adapted my answer to the way in which the question was worded. I can merely confirm that it is chiefly a matter for the Commission to judge on the basis of Articles 85 and 86, subject of course, as we all are, to control by the Court of Justice.

**Mr Durieux.** — *(F)* Is the President of the Council aware that the EIB has just granted a large credit for mining uranium deposits in Italy?

If so, can he explain why there is no appropriation for this purpose in the 1977 draft budget of the Community?

**Mr Brinkhorst.** — *(NL)* I promise the honourable Member that I shall have this question examined more closely. At the moment I have not the necessary data at my disposal to answer his question directly. He may rest assured that I shall reply to his question as soon as possible.

**President.** — I call Question No 2 by Mr Caro:

The preparation of the elections to the European Parliament by direct universal suffrage in 1978 calls for practical measures. This is essential in order to arouse the interest of the European electorate. There is no lack of proposals from the Commission. Can the Council state what action it intends to take to this end?

**Mr Brinkhorst, President-in-Office of the Council.** — *(NL)* I would point out that the provisions laid down by the Council on 27 September this year on elections to the European Parliament by direct universal suffrage must be adopted by the Member States in accordance with their respective constitutional requirements. At the same time the Member States must ensure that the required legislation is adopted to determine the place and method of the elections. In this context decisions may also be taken on the rules governing election campaigns and at the same time the arrangements for participation by the political parties.

The measures to which the honourable Member refers are usually taken by these parties.

With regard to possible subsequent measures by the Community, I should like to point out on behalf of the Council that the draft budget contains an Article 272, item 2729 of which provides for an appropriation of 400 000 u.a. for an information campaign on the elections to Parliament by universal suffrage.

**Mr Caro.** — *(F)* We are all well aware of the importance of the event which is due to take place in our various Member States. Far be it from me to cast doubts on the considerable responsibility which will have to be borne by the governments of the Member States and the national parliaments, but it seems to me essential that the Community should act in its

own right. If I may, I should like first to deal with the problem of the budget.

The President of the Council has reminded us that 5.8 million u.a. have been set aside under Article 272 (2720). I note that the Council has reduced the initial sum by 30 000 u.a., which means that, account being taken of the normal provision of 10 % to allow for inflation, the increase in relation to 1976 is only 1.5 %, which seems to me ridiculously little in view of the importance of the event.

Mr President of the Council, do you consider this increase sufficient to enable the Community to offer the governments of the Member States who wish to do so the necessary funds to conduct in their countries an all-out campaign for direct elections?

**Mr Brinkhorst.** — *(NL)* I am glad that Mr Caro has asked this question, since it gives me the opportunity to point out that there has, I am afraid, been some misunderstanding. The amount involved is in fact 400 000 u.a. I might perhaps point out to the European Parliament that it is at this very moment dealing with budgetary procedure. It is up to the Parliament to decide on any increase it thinks fit. I can assure Parliament that, if any such amendment is proposed, the Council will give its full attention to these problems. The amount concerned is, however, much more substantial than the honourable Member thought.

**Mr Lenihan.** — I would like to ask the Council to ensure that there is coordination between Council, Commission and Parliament in the expenditure of funds to ensure a maximum poll in the direct election. Cannot such expenditure best be channelled, from the practical point of view, through the groups in this Parliament to the respective national parties?

**Mr Brinkhorst.** — *(NL)* In my view it is primarily the responsibility of the Council and the European Parliament, as the institutions concerned with the budget, to fix the sum to be allocated to preparations for direct elections. Furthermore I feel that it is primarily the responsibility of the national authorities, particularly the political parties, to see to it that direct elections become a living reality and thus lead to a maximum poll. I do not think that in this matter the responsibility of the Council as such is primarily involved.

**Mr Patijn.** — *(NL)* Under this budget item for European elections, did the Council envisage a Community action or the subsidizing of national actions?

**Mr Brinkhorst.** — *(NL)* As the honourable Member is surely aware, the Council envisaged maximum efficiency to ensure the smoothest possible preparations for the elections.

*(Laughter)*

✓ **President.** — I call Question No 3 by Sir Geoffrey de Freitas :

Is a study being made of the respective advantages and disadvantages of establishing the new directly elected European Parliament in Brussels, Luxembourg or Strasbourg ?

**Mr Brinkhorst, President-in-Office of the Council.** — (NL) The Council has already pointed out several times that the question of the location of the Community institutions does not fall within its field of competence but within that of the governments of the Member States. Therefore the Council has not made a study as referred to by Sir Geoffrey, nor does it intend to carry out such a study.

**Sir Geoffrey de Freitas.** — Is not the Council by virtue of its decision of April 1970, the only institution able to provide the finance to set up a permanent seat ? In those circumstances, will not the Council regard it as its duty to begin the preparatory work now so that when the time comes for a decision it is that much easier ?

**Mr Brinkhorst.** — (NL) I think that two different questions are involved here. One is the question whether one institution is better equipped than another to carry out a study on where best to set up a permanent seat ; the other concerns the political decision as to where the Community institutions are to be located. The Council will never be able, nor should it be allowed, to take the political decision over Parliament's head.

**Mr Dykes.** — Will Minister Brinkhorst be bold enough to express the opinion that whilst polycentricity may be difficult and problematic for a single nation State, it is certainly a viable possibility for a community, and that at the very least the future European Parliament ought to meet only in one place ?

**Mr Brinkhorst.** — (NL) If I were a Member of the European Parliament, I would choose a location closest to the place where the power in the Community is exercised.

*(Laughter and applause)*

**Mr Mitchell.** — Is it the view of the Council that, wherever the European Parliament meets, if the new directly elected Parliament is to have power, the three institutions of the Community — Council, Commission and Parliament — should all meet in the same place ? Is it the Council's view that the new directly elected European Parliament should have any more powers ?

**Mr Brinkhorst.** — (NL) I should like once more to repeat in one of the Community languages the answer

to the last question. I said that the European Parliament would be wise to meet where the power is exercised. That was my answer to the first question.

The second question will only become relevant once the direct elections have taken place.

**Mr Patijn.** — (NL) Is the Council not guilty of burying its head in the sand, having first decided to have an elected Parliament with 410 Members, thereby necessitating a location with a certain capacity, and only then undertaking a study ?

**Mr Brinkhorst.** — (NL) Surely each institution has its own responsibilities ? Why is the poor Council accused of burying its head in the sand, while the Parliament, the institution with the greatest future in the Community, can make its own suggestions on the matter ?

**Mr Fellermaier.** — (D) Can the President of the Council tell me whether the Council, as the institution responsible for the functioning of a directly elected Parliament, is able to inform us whether there is anywhere in the European Community with the necessary accommodation and technical and organizational facilities to enable the directly elected Parliament to hold its constituent session by the date which the Council itself has fixed for the direct elections ?

**Mr Brinkhorst.** — (NL) The honourable Member gives the impression that the question of the seat of the European Parliament is a technical and organizational one. Of course that is one of the aspects involved, but the honourable Member, who has been a Member of this European Parliament for many years, is naturally aware that here we are concerned chiefly with a political question. If only the technical and organizational merits are considered, there are many beautiful cities in Europe which are eligible. But I think that this is not the most relevant statement on the seat of the European Parliament.

*(Laughter)*

**Mr Berkhower.** — (NL) Leaving aside the question as to whether or not the Council is burying its head in the sand, and leaving aside the responsibility of the respective governments with regard to a permanent seat, I should like to ask the following question : can the President of the Council tell us whether he shares the opinion held by many people in Europe, namely that at some stage the three political institutions of the Community — i.e. Council, Commission, and Parliament — should all be established and work in one city, whatever beautiful European city it may be ?

**Mr Brinkhorst.** — (NL) I would not like to answer this question in the negative.



**Mr Berkhouwer.** — *(NL)* Do you then agree with me? Yes or no?

**Mr Brinkhorst.** — *(NL)* I have already said that I would not like to answer the question in the negative. That means that I have given a clear answer to the question.

**Mr Caro.** — *(F)* Mr President of the Council, can you tell us, after all that has been said and written recently, whether the Council has any reason to question the suitability of Strasbourg as the seat of the European Parliament?

**Mr Brinkhorst.** — *(NL)* I always enjoy visiting the beautiful city of Strasbourg. But I fail to see the connection with the last question.

✓ **President.** — I call Question No 4 by Mr Berkhouwer:

Can the Council state whether for its part it is now ready, one year after Helsinki, to undertake new initiatives in order to revise the negotiations with Comecon which are at a complete standstill?

**Mr Brinkhorst, President-in-Office of the Council.** — *(NL)* May I remind you that my predecessor presented a statement on the relations between Comecon and the EEC in this House on 8 April 1976. On that occasion he informed Parliament that the institutions of the Community were studying the various questions connected with EEC-Comecon relations. This study is not yet completed.

I can add that the Council and the Community are aware that as soon as possible proposals must be made on the basis of which we can normalize our relations with Eastern Europe and the Comecon countries.

**Mr Berkhouwer.** — *(NL)* Does not the President of the Council consider it desirable, in the course of the further development of economic relations with Comecon, in whatever form that may take, to link this development with a more effective implementation of what for the sake of brevity I should like to call the third basket of the Final Act of the Helsinki Agreement? There surely needs to be a certain parallelism.

**Mr Brinkhorst.** — *(NL)* It goes without saying that the development of relations with third countries must be viewed as a whole. That is the case for a number of reasons which I do not need to explain to the honourable Member. It is especially important for the Community that its presence is recognized and that the Community as such is considered a reality in the world.

**Lord Bethell.** — Is the President in Office aware that the Community took a serious initiative two years ago towards establishing normal relations with Comecon, and that these initiatives were quite clearly

and brutally rebuffed by Comecon? There is no point in taking initiatives unless one has reason to believe that there will be some outcome from them.

**Mr Brinkhorst.** — *(NL)* I am very well aware of the initiatives taken by the Community in October 1974 by submitting a 'schéma d'accord' for trade relations between the Community and Eastern European countries. The Community is still giving its attention to this question. I can assure the honourable Member that these aspects will be taken into consideration in the normalization of relations with Comecon.

**Mr Boano.** — *(I)* Does the President of the Council feel that the discussions between the EEC and Comecon can have any real significance, in view of the fact that the transactions and cooperation agreements are usually between state organizations, in the case of the East European countries, and large companies operating within the Community whose policies are outside the control not only of the Community institutions, but also of the Member States themselves?

**Mr Brinkhorst.** — *(NL)* Relations between Comecon and the EEC must be developed within the context of the various competencies of Comecon and EEC institutions. The honourable Member's question refers to the effects of this. It goes without saying that the structures of our economy and of Western European industries are different from those of Eastern Europe. It also goes without saying that solutions must be found to this problem, but the problems involved are separate from the overall agreement we are speaking about here.

**Mr Molloy.** — Would not the President-in-Office of the Council agree that notwithstanding the difficulties and intransigences of the Eastern bloc in relation to Comecon; there is much more than merely trade negotiations involved in these endeavours, and that they therefore be pursued because of the vital connections that we would try to establish with those nations on the other side of the Iron Curtain? Does he agree that this can make a vital contribution to establishing — it may take a long time — the relationships that we desire with the millions of ordinary people, as they are described, living in Eastern European countries?

**Mr Brinkhorst.** — *(NL)* If the Council were not so convinced of the necessity to establish relations with Eastern Europe and Comecon, it would not be so actively studying the proposals before it. We hope to be able to state our position on them as soon as possible. But we shall not only have to express the wish for improved relations, but we shall also have to be realistic enough to let the improvements take place on a sound basis.

**President.** — I call Question No 5 by Mr Fletcher :

Will the Council follow the procedure in the national parliaments of the Member States by arranging for members of the public to be admitted to the legislative meetings of the Council of Ministers ?

**Mr Brinkhorst, President-in-Office of the Council.**

— (NL) In reply to this question I could refer you to the identical answers which I gave in this House on 7 July and 15 September this year. But because I appreciate and respect the importance of the Members' question, I shall not do so. I would point out to Mr Fletcher that at this stage there can be no question of admitting the public to Council meetings. For the arguments in support of this, I should like to refer you to what has been said on the subject in previous sittings of Parliament.

**Mr Fletcher.** — Does the Minister agree that, given the political will, the Council could separate its discussions on legislative matters from its executive decisions ? Does he appreciate that the Parliament must continue to knock on the doors of the Council on behalf of the people of the Community until these doors are open to the public ? For a start, why not invite Members of this House to some of the Council's legislative meetings ? Will the Minister at least make that proposal to the Council at its next meeting ?

**Mr Brinkhorst.** — (NL) I would be the first to recognize that secrecy is the enemy of democracy, but this involves altering the whole structure of the Community. As long as this structure remains unaltered, it will not be possible to separate the legislative and non-legislative proceedings of the Council. Thus at present I am afraid that I find the honourable Members' question somewhat abstract.

**Mrs Ewing.** — Will the Minister explain quite simply what the Council has against the principle of admitting the public or — less drastic — Members of this House ? Does this not suggest that the Council perhaps does not wish the methods by which it reaches its decisions to be known ?

In particular, while this Parliament meets only one week in four, is it not a good idea for the Council to try to experiment, at least for a period, to see whether any harm will come to it, so that greater interest in all the affairs of the Community will be encouraged among the citizens of all Member States ?

**Mr Brinkhorst.** — (NL) The honourable Member may be sure that I am serious when speaking about the wish to restore democracy in the Community, but democracy exists only where account is taken of realities. Any alteration of the present rules, separately from other rules in the Community, would in my view benefit neither decision-making or democracy in

the Community. We are concerned with an intergovernmental structure. The Council is an intergovernmental negotiating body rather than an actual legislative body. Given this, I consider that public attendance at Council meetings is not a real solution to the problem you have outlined.

**Mr McDonald.** — Might I put it to the President-in-Office of the Council that according to the Treaty, the Council of Ministers is the second institution of the Community. I accept that there may be administrative difficulties, but surely it might be possible, for instance, to have the chairmen of the various parliamentary committees sitting in on your Council meetings on appropriate occasions when particular problems are being discussed ? This would have the effect of our parliamentary colleagues at least being made aware of the feelings of the various Member States. This would not create an administrative difficulty because there is surely room for one more seat.

**Mr Brinkhorst.** — (NL) First I would draw your attention to the consultation procedure which exists between the Council and the European Parliament when decisions with important financial consequences are involved. This is a procedure which involves the physical presence of Parliament, but I stress yet again that complete exposure to the public gaze has as many drawbacks as absolute privacy. Where there is such complete exposure there can be no real negotiations. The honourable Member may well find that a cynical answer, but I am not speaking here exclusively to the public gallery, however important the public aspect of proceedings in this House may be.

**President.** — Mr President of the Council, I would remind you that, apart from budgetary consultation, there is a legislative consultation procedure as the result of the exchange of letters between Mr Scelba and President Scheel.

**Mr Brinkhorst.** — (NL) That is what I was referring to, Mr President.

**Mr Fellermaier.** — (D) Mr President of the Council, if I assume that you would be perfectly willing to open the door of the Council to direct democracy but admit that the Member States are not yet sufficiently prepared to do so, would you be prepared — and I am asking you very specifically — to propose to the Council that, as the first step towards further democratization, whenever it feels that it must differ from the decisions of Parliament, it should demonstrate its political responsibility in a public dialogue in this House whereby it sets out the reasons why it has come to conclusions totally different from those of Parliament ? This would be a first step and would show clearly whether the Council in fact possesses the will to achieve more democracy.

**Mr Brinkhorst.** — (NL) The honourable Member is speaking of a procedure which already exists. When the Council takes a very different line from that adopted by the European Parliament, there is an information procedure enabling Council and Parliament to discuss the arguments. The procedure exists; it simply needs to be applied.

**Mr Seefeld.** — (D) Mr President of the Council, did it escape your attention that Mr Fellermaier referred specifically to Parliament and to 'this House'? He felt that this was the place where we should settle such differences of opinion together. Surely you would agree that this is different from the practices adopted hitherto?

**Mr Brinkhorst.** — (NL) The question did not escape my attention. That is my answer to the honourable Member's second question.

**President.** — I call Question No 6 by Mrs Dunwoody:

Can the Council explain the reason for the delay in accrediting the Fiji Ambassador to the Community, a matter of considerable importance in view of the fact that Fiji has assumed the chairmanship of the ACP-Council?

**Mr Brinkhorst, President-in-Office of the Council.** — (NL) Mrs Dunwoody's question has in the meantime been superseded by the facts.

**Mrs Dunwoody.** — That customarily tactful answer does not hide the reality that the length of time taken to offer accreditation to His Excellency Nandan is a gratuitous insult not only to Fiji but also to the ACP countries. Is it not the intention of the President-in-Office to apologize to the ACP countries for this delay, because it is widely held that this was due entirely to the fact that France objected to the very strongly held view of many of us and the protests at the time about the explosion of nuclear devices in the Pacific? Would he also point out that if Her Majesty's Government wished to accredit ambassadors who never at any time had taken a view opposite to theirs on any political subject, there would be a very small number of diplomats accredited to the Court of St James?

**Mr Brinkhorst.** — (NL) The last part of the question is perhaps the most interesting. As for the first part, it serves no useful purpose to look back in anger. We should look towards the future and be glad that this matter is settled.

**Mr Durieux.** — (F) I should just like to point out that the Government of Fiji itself put similar obstacles in the way of the accreditation of the French Ambassador in that ACP country. It proves that the accreditation procedures are inevitably long, whatever the country. Moreover, this is, I feel, what the President of the Council was seeking to convey in his answer.

**Mr Patijn.** — (NL) Are there other cases of an accreditation procedure taking so long? Has there ever been any discussion in the Council about changing this procedure which — I believe — dates back to 1958?

**Mr Brinkhorst.** — (NL) The time it takes to accredit ambassadors tends to vary. In this case it certainly was not the shortest accreditation procedure. If the honourable Member would like more detailed information, I am perfectly willing to try and provide it.

**President.** — I call Question No 7 by Mr Gibbons:

As monetary compensatory amounts have reached an unacceptably high level — more than 20% for Ireland and the UK — resulting in severe pressure on the Community's budget and denying equitable prices to producers, will the Council state what Member States are opposing a devaluation of the 'green' currency rates?

**Mr Brinkhorst, President-in-Office of the Council.** — (NL) It is not for the Council to express an opinion on the position adopted by individual delegations with regard to a specific problem. The Council has looked into the problems arising from the high level of the monetary compensatory amounts used in trade with the United Kingdom and Ireland. On 5 October 1976 it decided that the Irish green pound should be adjusted by 7.5% and agreed that the Commission should continue its contacts with the United Kingdom Government with the aim of reaching an agreement which could then be adopted by the Council. In more general terms, the Council is following with particular attention the repercussions of monetary fluctuations on the functioning of the common agricultural policy both as regards the income of agricultural producers and trade patterns. It has agreed to hold a thorough discussion of the matter at its meeting on 25 and 26 October 1976.

**Mr Gibbons.** — Does the President-in-Office not agree that the budgetary implications for the Community as a whole of the present situation as they obtain in the matter of MCAs are unacceptable, and does he not further agree that the distorting effects of the present situation on the achievement of the Community aim of harmonization in agricultural products is being frustrated by the present situation in MCAs? Finally, may I ask the President-in-Office if he will give some indication of the size of the food subsidies that accrue to member countries as a result of their failure to devalue their currencies?

**Mr Brinkhorst.** — (NL) The amounts involved are not inconsiderable. As President of the Council of Finance Ministers, I too will be faced with an amount which is far higher than was estimated last year. But these problems must be viewed in the context of the overall economic problems surrounding the Community market. It is for this reason that the wider implica-

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tions are due to be studied not only by the Agriculture Ministers but also by the Finance Ministers.

**Lord Bruce of Donington.** — I endorse the view put forward by Mr Brinkhorst that the whole question of MCAs must be considered within a wider economic context. However, will he bear in mind that, even after taking MCAs into account the United Kingdom expects to be a net contributor to Community funds in the year 1977? Will he also bear in mind that as MCAs cannot be considered in isolation, there are many Member States which would wish to have the costs of defence of Europe more equitably shared around the Community?

**Mr Brinkhorst.** — *(NL)* The honourable Member did not hear me make a single value judgement in my reply to Mr Gibbons' question. I stated that considerable sums were involved and that the problems of monetary compensatory amounts are set in a wider context than merely that of agriculture. I do not think that the answers conflict with what the honourable Member asked.

**Mr Scott-Hopkins.** — Will not the President-in-Office agree that a gap of 28 per cent to 31 per cent, which is the amount of the green pound difference at the moment, is much too large and is operating extremely unfairly as regards the production levels for farmers in the United Kingdom? Will he say whether or not the Council has set up any machinery to consider installing a system of automatic adjustment at some later stage when the green currencies are more in line than at present? If the Council has not done so, will the President-in-Office undertake to do so immediately?

**Mr Brinkhorst.** — *(NL)* I would be the last to deny that the amounts involved at present were not anticipated at the time when the system of monetary compensatory amounts was instituted in 1971. We were concerned at the time with minor corrections in a situation characterized at world level by fixed exchange rates. This means that as a result of post-1971 developments the Community was faced with great problems.

May I first of all draw your attention to the proposals which the European Commission is preparing or has already tabled. These proposals are aimed at solving the problem of monetary compensatory amounts. The Council is certainly not considering automatic adjustments as suggested by the honourable Member.

**Mr Howell.** — May I urge the President-in-Office to persuade the Council to bring the maximum of pressure to bear on the Government of the United Kingdom to align the green pound? Is he aware that there is tremendous pressure growing in Britain, not

only from the producers and the National Economic Development Council but also from the National Union of Agricultural Workers? I think that its forward thinking should be commended and that Lord Bruce of Donington should take some account of it.

*(Applause from the right, protests from the left)*

**Mr Brinkhorst.** — *(NL)* As President of the Council, I can merely help to ensure that these problems are viewed as a whole. But I understand that there is disagreement over this point in the British Parliament, and I find that interesting.

*(Laughter)*

**Mr Durieux.** — *(F)* In order to lessen the financial burden of monetary compensatory amounts, is the Council prepared to propose that a limit be imposed on the rate of increase of the amounts, however large the gap in the currencies concerned may be, and beyond a certain level to make the Member State itself pay these amounts?

**Mr Brinkhorst.** — *(NL)* In reply to a question by a previous speaker I have already said that the Council is examining the Commission's proposals with interest. In my view the proposals must be viewed in a wider context than merely that of the problems besetting agriculture.

**President.** — We now turn to the questions addressed to the Commission of the European Communities. I would ask the Commission representative responsible for the subject involved to answer these and any supplementary questions.

I call Question No 8 by Mr Yeats:

As monetary compensatory amounts have now reached an unacceptably high level — more than 20% for Ireland and the UK — will the Commission propose an immediate devaluation of the green pound?

**Mr Lardinois, Member of the Commission.** — *(NL)* That seems to me the same question as the previous one. Perhaps I can add the latest figures relating to the variations in monetary amounts. Next Monday these amounts will be changed as follows: the lira down 12.6% the pound sterling down 37.3%, the Irish pound down 22.4%, the French franc down 13.7% the German mark up 7.5% and the Benelux currencies up 1.4%. That means that from Monday of next week the monetary compensatory amounts in trade in agricultural products will span a difference of almost 4.5% between the Federal Republic at the one extreme and the United Kingdom at the other, and accession compensatory amounts must also be added. In my view we have gradually reached the limit of this already untenable system.

**Mr Yeats.** — Would the Commissioner agree that the facts and figures that he has just given us show conclusively that the system of MCAs as it operates at present is completely contrary to the original intention and is in fact now proving an intolerable burden on the Community as a whole? In view of this, will he undertake to produce proposals for altering or replacing this system with the greatest possible urgency?

**Mr Lardinois.** — *(NL)* I agree with the questioner on the first part of his question. If the Member States do not play the game, we shall very soon be in an intolerable situation. I would remind you that the Council has requested the Commission to put forward proposals as soon as possible with a view to adjusting the system. I hope that they will be able to do so before the next Council meeting on 25 and 26 October.

**Mr Dykes.** — Will Commissioner Lardinois follow his previous answers by confirming that it is vital to balance the interests of the farming community and of consumers as a whole — particularly housewives who are facing food price increases? In that context, pending the inception of a self-adjusting mechanism, would it not be wise to make a progressive reduction of the gap in the United Kingdom green pound by various stages over, say, six months, possibly commencing with an equivalent downward movement for the Irish pound?

**Mr Lardinois.** — *(NL)* A difference of 37.3 %, as it will be next Monday, is in my view not a difference which can be offset within six months. A much longer time will be needed.

The question as to whether the Commission should propose that an absolute ceiling be imposed on these amounts is still being examined. It is clear that, if we do not submit in the short term a number of proposals which can be adopted by the Council, a supplementary budget, in addition to the budget already submitted, will for this sole reason have to be submitted for next year, before Parliament adopts a final position on the matter. In my view this supplementary budget will certainly involve something in the region of 500 million units of accounts.

**Mr Hughes.** — The Commissioner suggested that the time span of six months was far too short, but will he examine the possibility not necessarily of adjusting the green pound over the whole spectrum of agricultural products but adjusting it selectively within them? It is clear that the pressures of producer and consumer benefit vary between the various commodities. In the proposal which the Commission is considering for bringing the question into resolution, is that

one area that can be examined? Does the Commission also accept what was said by the President-in-Office: namely, that this is far more than an agricultural and budgetary matter; it is a matter of fundamental economic disequilibrium within the Community, of which the MCAs are merely the demonstration in agriculture of a far deeper problem?

**Mr Lardinois.** — *(NL)* I agree that we must also consider what effects figures of this size — as I said, next week a difference of 45 % between the Federal Republic and the United Kingdom — will have on conditions of competition. Such figures constitute not only a budgetary problem but also an at least equally serious problem of competition. Such great differences distort competition on a scale which in my view cannot be considered admissible in any sector of our Community. In this respect it is thus not only a budgetary problem but also a problem of competition between the countries of the Community — even if not to the same extent for all products. This question has arisen because the system, which was set up as a short-term system to bridge a relatively small percentage gap, has never been adjusted.

Indeed I agree with the President of the Council that we are faced here not only with an agricultural problem but also with a problem set in a much wider context, if only because of the enormous amounts involved. When you consider that, calculated on the basis of one year, an amount in excess of 1 000 million units of account goes to the United Kingdom alone under the present system, then it is definitely worthwhile examining whether such large amounts cannot be used for a more basic purpose. I think that in this we could do with the participation of the Finance Ministers.

**Mr de la Malène.** — *(F)* Mr President, the debates which have just taken place show the fundamental importance of this topic. It is certain that this problem serves to illustrate the dangers threatening the agricultural common market and, beyond it, the whole construction of Europe.

This being so, I request on behalf of my Group that a debate be held following Question Time on the Commission's reply to this question.

**President.** — I note Mr de la Malène's request. The decision on whether to hold such a debate cannot be taken until the end of Question Time. I shall consult Parliament then.

I call Question No 9 by Mr Herbert:

As the present Irish cross-border study is confined to the Donegal — Derry region, would the Commission indicate why the remaining area of the Irish trans-border region has not been included in this study?

**Mr Thomson, Member of the Commission.** — The terms of reference of this study were drawn up by agreement between the two governments concerned. These governments then applied for a financial contribution from the Community's Regional Development Fund and the Commissioners agreed to contribute 35 000, which is half the estimated cost of the study. I should add that the study is the first anywhere in the Community to be financially supported by the Regional Fund since the Fund was set up last year. The consultants have recently begun their work and it is expected to be completed within a period of six months. The two governments have also agreed to carry out a second study relating to the fishery resources in the Irish Sea. So, in view of the serious economic problems of the regions concerned and in the light of the outcome of the Donegal-Londonderry study, the Commission will always be ready to consider any further proposals from the two governments for Community participation and studies which promise to make a useful contribution to development planning in the border areas.

**Mr Herbert.** — Is the Commission aware that at its meeting on 11 October the Fermanagh District Council requested the Commission and both governments concerned — the United Kingdom Government and the Irish Government — to embark on a similar study and that this request was made in conjunction with adjoining county councils on the 26-county side of the border; namely, Donegal, Leitrim, Monahan and Cavan? Would the Commission agree that this is a valid request and would it encourage both governments to accept this request and expedite its processing?

**Mr Thomson.** — It always a good idea to learn to walk before you try to run. The first thing is to make sure that this particular study — the first of its kind — does quickly produce practical results. On that basis it would then be possible to make the final progress which the honourable Member urges and with which I, personally, have great sympathy.

**Mr Fletcher.** — In view of the remarks that the Commissioner made in the last part of his original reply, I wonder whether he would agree that the Commission's understanding of the problems in Northern Ireland and the people of Northern Ireland's understanding of the Community would be greatly assisted if there were a Commission office in Belfast along the lines of the Commissions offices in Edinburgh and Cardiff.

**Mr Thomson.** — I am aware of the strong feeling in Northern Ireland about this. At the moment the problems are budgetary problems, about which this House knows in particular. Therefore, I cannot hold out any hope of immediate progress on that possibility.

**President.** I call Question No 10 by Mr Spicer :

In view of the repeated violations of human rights and the disappearance of democracy there, does the Commission think it is justified in continuing to give preferential treatment in terms of trade and aid to Uganda?

**Mr Cheysson, Member of the Commission.** — (F) The Commission draws your attention to the statements which it has made on several occasions before this House.

It denounces every violation of human rights, every attack on democracy, wherever it may be.

The Commission is therefore following with special attention the development of the situation in Uganda. As the President of the Council said in Luxembourg in September, the news is disturbing. It is, however, fragmentary and contradictory. It must be stressed that relations between the Community and Uganda are conducted on the basis of the Lomé Convention, i.e. an international treaty linking the countries individually and collectively, an international treaty the provisions of which are binding on the parties unless officially terminated, an international treaty the field of application of which is limited to economic and social development, which does not authorize the Community to comment on the internal or external affairs of the ACP States.

This being so, the Commission's answer to the honourable Member's question is affirmative.

**Mr Spicer.** — I am sure that most Members will be extremely disappointed with that reply. To say that the evidence from Uganda is fragmentary and contradictory is against all the knowledge that we have in this House. I suggest to the Commissioner that, whereas Commissioner Thomson says, as he did in May, that we can take no urgent action against Uruguay because we have no trade agreements with Uruguay, that is not the position with Uganda. We can go on for ever taking refuge behind statements that we are considering the situation, but we face a clear violation of human rights, we have agreements with Uganda, and it is up to the Community to live up to the standards that it has set itself. May I ask the Commissioner to take urgent action to ensure that trade agreements with Uganda are suspended?

**Mr Cheysson.** — (F) We have no trade agreement with Uganda, but a trade agreement with all the ACP countries. This treaty is binding on the Community.

**President.** — I call Question No 11 by Lord Bessborough, for whom Sir Peter Kirk is deputizing :

Has the Commission come to any decision about its future data-processing requirements?

**Mr Guazzaroni, Member of the Commission.** — (I) In 1975 the Commission carried out a study to

**Guazzaroni**

determine its data-processing requirements for the period 1976 to 1983. This study revealed the sharp rise in data-processing requirements for the Commission's services and highlighted the need to have statistical, administrative, scientific and technical data accessible through an internal network of computer terminals. The results of these investigations will be attached to the report on the activities of the Commission's data-processing centre, which will shortly be submitted to Parliament.

**Sir Peter Kirk.** — Can the Commissioner indicate when the Commission will be in a position to start placing contracts for this work? Secondly, without expressing narrow European chauvinism, will the Commission bear in mind when doing this that Europe has a very flourishing computer industry which I am quite certain could do the job well?

**Mr Guazzaroni.** — (I) The Commission expects to reach a decision on this matter within the next few days. The final assessments are in progress.

**Mr Osborn.** — Has the Commission had detailed discussions with member countries? Has it considered the report initiated by the Council of Europe, with which I was associated, outlining the needs of member countries, particularly in the parliamentary and public service spheres? Also, what emphasis has there been on information storage and retrieval?

**Mr Guazzaroni.** — (I) The Commission is very much aware of the need to get hold of as many data as possible and will cooperate with all the Member States.

**Mr Durieux.** — (F) Can the Commission state more precisely its views on the foreseeable development of data processing and its repercussions on the basic rights of European citizens, a matter to which the Commission is currently devoting its special attention?

**Mr Guazzaroni.** — (I) This is a complex problem which I do not think I can deal with adequately in a reply which has to be brief. However, as the honourable Member pointed out, the Commission does intend to look into this problem in the light of this very study.

**Mr Premoli.** — (I) It is a fact that the official Community statistics are usually two years behind. I should like to know whether the Commission intends to modernize and improve the operations of its own departments, among other things by the increased use of data-processing facilities.

**Mr Guazzaroni.** — (I) The Commission's very object in converting its data processing centre and setting up

a computer terminal network is to modernize the statistical service so that the various documents can then be distributed to all the Member States who wish to have them.

✓ **President.** — I call Question No 12 by Mr Lenihan :

Does the Commission envisage giving financial assistance from Community funds to political parties in the Member States to enable them to conduct an information campaign on direct elections?

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (I) In the budget for 1977, the Commission has not earmarked any appropriations for Community aid to the political parties for the direct elections to the European Parliament. Like Parliament, however, it has not neglected to consider the problems raised by such an important event. The Commission itself has therefore taken the step of proposing an initial appropriation of 400 000 u.a. in its own budget — which was approved by the Council on 22 July and is now the subject of discussions between Council and Parliament.

When the time comes, the Commission will naturally cooperate with the other Community institutions in studying possible action on this matter.

**Mr Lenihan.** — I suggest, and ask whether the Commissioner would agree, that a coordinated approach between the Commission, Parliament and the political groups in Parliament is very important in this respect.

Further to that, would the Commissioner agree that the great bulk of the expenditure should be allocated through the groups to the political parties in member countries, who are the people best equipped to motivate and enlighten our peoples, rather than allowing wasteful bureaucratic expenditure or expenditure through various peripheral, however well-meaning, European non-political groups?

**Mr Scarascia Mugnozza.** — (I) On 18 October I shall have the honour to inform the Political Affairs Committee of the European Parliament of the Commission's views on the utilization of the 400 000 u.a. As far as the political parties and the Parliamentary groups are concerned, I feel this is a matter which directly concerns the European Parliament.

**Mr Patijn.** — (NL) Since I disagree completely with my colleague Mr Lenihan that this is a case where money should be given to the political parties, I should like to ask if it would not be better for the Commission to prepare an information campaign to assist the Community in informing the citizens of Europe about the European elections, irrespective of the question as to what funds may be advanced to the political parties at a later stage.

**Mr Scarascia Mugnozza.** — (I) This will be the very point of my meeting with the Political Affairs Committee.

**Mr Dykes.** — In view of Mr Scarascia Mugnozza's careful previous answer, will he take note prior to that meeting that there is very substantial opposition, for example, in the United Kingdom and possibly elsewhere, to political parties and, indeed, individual political parties and, indeed, individual politicians having access to public funds for such purposes? However desirable it might appear at first sight, is it not better, as he implied, that these expenditures be in the control of the Community's institutions and particularly of the European Parliament?

**Mr Scarascia Mugnozza.** — (I) I agree.

**President.** — I call Question No 13 by Mr Bordu:

Does the Commission approve the secret decisions, later revealed by Chancellor Schmidt, taken in Puerto Rico by three Member States to cut off all economic aid to another Member State should the Communists help form the government of that country?

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (I) I assume the honourable Member will allow me to reiterate some of the principles which have always guided the Commission's actions. Firstly, I would remind you that the Commission did not attend the Puerto Rico meeting, and I cannot therefore comment on whatever may have been said or not said. Furthermore, the Commission is not in the habit of commenting on the meaning or implications of statements attributed to a head of government of a Member State.

At a more general level, I would point out that we have particular respect for one fundamental principle — that of respecting the decisions taken by the citizens of each country when they are called upon to vote, in other words to express their political opinion.

I would also point out that our Community has its own rules for examining all requests made by Member States.

**Mr Bordu.** — (F) Should there be an important political change in one of the countries of the Community, will the Commission, like the other Community bodies, purely and simply take note of that change?

**Mr Scarascia Mugnozza.** — (I) I have already stated the rules which guide the Commission's actions.

**President.** — I call Question No 14 by Mr Shaw:

What action has the Commission considered taking concerning bringing before the Court of Justice possible infraction of Community obligations by those Member States who have signed the United Nations Convention on a code of conduct for Liner Conferences?

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (I) The three Member States which have signed the Convention, subject to ratification, undertake to respect their obligations under the Acts of Accession to the European Community, and are now prepared not to ratify the Convention for the time being, unless the Council of Ministers of the European Community expressly authorizes them to do so. The Commission will thus not be bringing infraction proceedings before the Court of Justice. The Commission has been given reasoned assurances that the three Member States will work actively at Community level to reach a common attitude towards the code of conduct. In the meantime, the Member States and the Commission reserve the right to make known their views on the legal aspects of the problem.

**Mr Shaw.** — Am I to take it that the Commission is now entirely satisfied with the adequacy of the assurances that have been given on this very important matter?

**Mr Scarascia Mugnozza.** — (I) We have been given formal and reasoned assurances on this matter.

**President.** — Since its author is absent, Question No 15 by Mr Cousté will receive a written reply.<sup>1</sup>

Since their subjects are similar, I call together Question No 16 by Mr Molloy:

What further developments and proposals are being contemplated by the Commission in the field of consumer protection?

and Question No 17 by Mr Evans:

Is the Commission satisfied with the progress of the preliminary programme of the European Economic Community for a consumer protection and information policy?

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (I) Question 16 and 17 concern a subject which is so wide-ranging that it goes beyond the limits imposed on my replies here.

The Commission is satisfied with the general state of progress of its consumer protection and information policy. Before the end of the year, it will be submitting to the European Parliament a document on progress in this work, so that Parliament can be fully informed and can discuss the matter.

As regards health protection and safety in particular, the Council has already approved no less than ten directives.

As regards the protection of economic interests, important work has been done here, and we think that priority must be given in future to consumer credit, misleading advertising and door-to-door selling.

<sup>1</sup> See Annex.



**Scarascia Mugnozza**

As regards compensation, we have had important talks in Montpellier, and the application of the principles proposed at these talks is currently being studied. I would also point out that a proposal has already been submitted to the Council on consumer information and education. Finally, next December the Commission will be holding a meeting of experts from the Member States and from consumer associations to enable the problems involved in this initial phase to be studied in even greater detail.

As far as the work of the Consultative Committee is concerned, I would point out that it has met 15 times — this shows it is working perfectly — and has set up a considerable number of working parties. It has also given its opinion on all the draft directives submitted by the Commission in this field. I therefore think that, 18 months after the start of consumer activities, progress can be regarded as satisfactory.

**Mr Molloy.** — I agree that the subject is vast, but I am sure that the Commissioner will agree that the subject is absolutely vital to the millions of ordinary people who comprise the European Economic Community.

Therefore, may I request the Commissioner to state whether the Commission is prepared to publish the findings of the Consultative Consumers Committee or at least have those findings sent to the relevant committees of Parliament?

Also, when does the Commission intend to present a proposal giving consumers the right to litigation before the courts?

Finally, in its consultation of European consumer organizations the Commission has not hitherto been very well organized, but is it nevertheless intent on bringing together all the various European consumer organizations so that there can be better liaison and consultation with these organizations throughout the Community?

**Mr Scarascia Mugnozza.** — (1) The Commission has always taken account of the views of the Consultative Committee, and Parliament has been regularly informed through the draft directives submitted by the Commission. With regard to compensation, I have already said that, after the Montpellier talks — which were organized at the Commission's suggestion — we have carried out studies whose conclusions will naturally be very delicate, since they will affect existing rights and regulations in the various Member States.

As regards the possibility of bringing together the national consumer associations, this is not a problem which directly concerns the Commission, since these associations are of a voluntary nature. Nevertheless, the Commission has on several occasions helped the associations — financially and otherwise — and the meeting at the end of December will provide an opportunity for representatives of all the national associations to get together and, perhaps, to establish closer contacts.

**Mr Evans.** — I, too, should like to thank the Commissioner for his excellent answer and commend him and particularly the voluntary consumer organizations for the first-class work they are doing in this vitally important field.

Will the Commissioner accept that there is a widespread feeling among European consumers that their requirements and opinions are ignored in the formulation of a common agricultural policy and that the Commission and the Council of Agricultural Ministers listen only to the demands of the agricultural producers?

Will the Commissioner further accept that, if the consumer organizations were given the same opportunity to influence agricultural policy at the annual price review as the agricultural producers are given, he would be taking a gigantic step forward in consumer protection?

*(Applause from certain quarters on the left)*

**Mr Scarascia Mugnozza.** — (1) This is an extremely delicate matter, since it is very difficult to establish the limits of this influence. However, I would point out that, in recent times in particular, the Commission has been taking account of the consumers' views. Over the last two years, at my own suggestion, Mr Lardinois has had talks with consumer representatives before taking any decisions on prices, and the Commission has been expressing not only its own views, but also those of the consumer associations. Moreover, I would point out that the consumers are now — and this was not previously the case — represented on the various consultative committees on agriculture, and that these representatives have been allowed to consult with one another before the meetings so that they can follow a common line.

In conclusion, I might add that over the last two years — i.e. ever since there has been a consumer policy — things have gradually been improving, even if not all the desired results have been achieved.

**Miss Boothroyd.** — It must have been obvious to the Commission for some time that the greatest concern of consumers in Europe is the whole cumbersome structure of the Common Agricultural Policy itself. Although we look forward to the reports that are being produced and we welcome the statement made today that the consumers associations are participating in committees with the Commission, I wonder if the Commissioner can tell us now a little more specifically what steps the Commission has taken, not on its own but in consultation with European consumer organizations, to determine the price structure of agricultural products between production and consumption — in other words, the comparison between the price of the product at the farm gate and that paid before it is put on the kitchen table — and whether these findings have yet been reported to the Directorate-General for Agriculture?

**Mr Scarascia Mugnozza.** — (I) This is a specific problem — that of distribution. This is being studied, and I cannot yet say when a report will be submitted. We are faced with factors which are very difficult to assess. Nevertheless, this is certainly one sector of interest to the consumers, although it specifically concerns distribution.

**Mrs Kruchow.** — (DK) How does the Commission regard the prospects and the need for regulations governing the production of particularly dangerous substances — substances involving, for instance, complex chemical processes? This not only concerns the production of goods, but should also be considered in relation to the protection of the environment. I won't go on at length about this — but we all know about the recent accidents in Italy involving dioxin and arsenic.

**Mr Scarascia Mugnozza.** — (I) The accident in Seveso in fact showed how the Community can act, since technicians from the Joint Research Centre in Ispra have been helping the Italian authorities in their efforts.

However, as regards protecting public health, we have various directives in preparation — one on pesticides, with particular reference to agricultural products. However, if the honourable Member will allow me to say so, I think this subject, in all its implications, could be discussed in the appropriate committee of Parliament, where I could give further details of the directives and of the current studies.

✓ **President.** — I call Question No 18 by Mr Dalyell, for whom Mr Evans is deputizing;

What is the result of the Commission's study of the evidence they have obtained from American sources on the alleged OPEC-like uranium cartel, and what action do they propose to take?

**Mr Vouel, Member of the Commission.** — (F) Since 1972 the Commission has been following attentively the actions of the uranium club. The Commission is examining the information which it has recently received on this matter and which is being studied in the United States. It is continuing its analysis of the respective roles of governments and companies in the setting up and operation of this club.

**Mr Vouel.** — (F) I have absolutely no idea when this will be done.

**Mr Evans.** — When does the Commission expect to make a full statement on this matter?

**Mr Mitchell.** — When the Commission has done its studies and has finally arrived at its conclusions, will it undertake to publish its report and send a copy of it to Parliament?

**Mr Vouel.** — (F) If we arrive at any conclusions, I shall obviously not omit to publish them in the report on competition which will be put before this House.

**Mr Hamilton.** — Does the Commission agree in principle with the existence of a cartel, anyway, in this matter?

**Mr Vouel.** — (F) We cannot be sure at the moment that there is in fact a cartel.

(Laughter)

**Mr Burgbacher.** — (D) Is the Commission prepared to include the following questions in its examination:

1. Which countries possessing uranium are still prepared to export this uranium to third countries?
2. Which countries restrict these export facilities to enriched uranium only?
3. What will be the actual demand for uranium in the Community once the current reactor building programmes of the national governments have been completed?

The probability of these programmes being completed in their entirety is extremely slight. Hence the question:

4. What will be the probable actual demand for uranium in the Community?
5. Bearing in mind the previous questions, how will this demand actually be met?

In my view the answers to these questions determine to what extent any opinion may responsibly be stated with regard to the cartel.

**Mr Vouel.** — (F) I am perfectly prepared to take these questions into account.

**President.** — Since its author is absent, Question No 19 by Mr Noè will receive a written reply.<sup>1</sup>

✓ I call Question No 20 by Mr Osborn:

What has been the outcome of the recent Commission trade talks with Japan on the need to reduce imports from and increase exports to this country?

**Mr Gundelach, Member of the Commission.** — The Commission, during its many discussions with the Japanese Government and Japanese industrial circles, has in the last month made very clear that we are deeply concerned both at the continuously rising trend of the Community's visible trade deficit with Japan and at the extent and rapidity of Japanese import penetration in a small number of vulnerable but important industrial sectors.

<sup>1</sup> See Annex.

**Gundelach**

Honourable Members will be aware that representatives of Member Governments, including two heads of government, have expressed similar concern during the same period of time, and that it is likely that this very important matter will be discussed at the European Council meeting in November. The Commission will certainly not fail to report to the European Council in detail its views on the situation.

During these conversations with the Japanese we have emphasized that the present situation is giving rise to growing pressures for protection within the Community, but we have maintained that it is neither in the interests of Japan nor in the interests of the Community that barriers should be imposed upon trade. Rather, we feel that the answer to the problem of the trade balance must lie in a substantial increase in the Community's exports to Japan, and in sensitivity on the part of the Japanese to the problems that are created for us by the speed and concentration of their exports in certain sectors. It is in these directions that we are seeking answers, and I am able to report in general that we are being heard. There has been a change in atmosphere, and we are beginning to make some progress, even if in substance it is as yet not sufficient.

On the import side, for instance, we have concluded an agreement on textiles, and we have met with a cooperative response on the question of Japanese steel exports and on the export of special steels to the United Kingdom. That worked reasonably well for part of 1976, but it is getting into difficulties now. That is why we have decided to send a forward party to Japan to prepare the mid-November Community/Japan steel talks for what will happen in 1977, which is becoming a matter of urgency and great importance.

Shipbuilding problems are being discussed in the OECD, so far not with satisfactory results, and the time may come when the Community will have to make up its mind on its own on certain issues. But on this aspect of imports, there has been demonstrated a willingness to improve matters from the Japanese side — but as yet not enough.

On the export side we have made some modest but significant progress. We have agreed to proceed on a sector-by-sector study to remove in a general sense non-tariff barriers to trade, and certain specific measures have been taken to improve our car exports to Japan. Recently, similar steps have been taken with pharmaceutical products.

We shall proceed in this examination and these talks with the Japanese Government and, later this month, with the representative of Japanese industry, Mr Dodo.

I am sorry to have spoken for so long, but trade with Japan involves more than 4 billion and we think that exports from Japan to the Community are an important subject. We have posed the problem squarely. We

have warned the Japanese Government that this cannot go on. We have seen the first signs of comprehension by the Japanese and we are still hopeful that we might come to positive conclusions which will not necessitate the introduction of trade restrictions.

**Mr Osborn.** — Under the circumstances, that lengthy reply must be welcomed and accepted by this Parliament. I am sorry that the question was posed in this way. But is it not still a fact that the value of imports to the EEC as a whole is over double the level of exports — and even more so to the United Kingdom? What does the Commissioner see as the trend most likely to achieve a better balance? He referred to stainless steel which affects my area of Sheffield. There has been evidence of possible dumping, although this is difficult to prove. This may be extended to many other products, including hand tools and engineering tools. What help is the Commissioner giving to member governments, and what help is he obtaining from the Japanese consulates to member governments to identify the difference between domestic prices and export prices for this vast range of products?

**Mr Gundelach.** — It is indeed true that the trend in our trade balances with Japan has moved from bad to worse. Comparing 1973 with 1976, it has been doubly worse. I nevertheless ask the honourable Member, for the sake of fairness, to take into account the fact that previously this has been — and to a large extent this is still the case — balanced by the fact that we have a surplus on the invisible account with Japan, to the tune of about two billion dollars. That must be taken into account.

It did make money flow reasonably balanced up to 1973/74, but it is getting out of hand, and the order of magnitude is considerable. That is why we have launched this two-pronged offensive to work hard to get Japanese cooperation in increasing our exports to the Japanese market. This is a long haul, since our exports have to be built up and our industrial goods are not, as in the United States, bulk commodities to a large extent. Progress will be made, but it will take time.

On the second part of this question — what do we do with areas where there is a great deal of penetration from the Japanese side? We are studying each case on a day-to-day basis with the greatest care. We are calling the attention of the Japanese Government and Japanese industries to the potential dangers of protectionism springing up in Europe if this continues. If, in our examinations, we find that there is dumping or other trade practices which are not in conformity with international trade rules and practices, we are ready to take the necessary steps under these rules to protect the interests of our Member States and the Community as a whole.

**Lord Castle.** — The Commissioner will realise that he has touched on a subject that is of growing importance day by day — in fact, hour by hour — in Western Europe. He will realise that he has touched on a matter which, I assume, is now receiving the urgent attention of the British Government. The British Government at this time, oppressed as they are economically, are being urged to consider the possibility of import controls. I hope that I detected some hint of a willingness on the part of the Commissioner, and, perhaps, the Commission, to look favourably at the question of import controls exercised by an individual member of the Community, not only in regard to Japan — Britain is suffering very badly from Japanese imports — but wherever there is a menace to our industry.

I hope that sympathetic attention will be paid to the demands of certain of us that this matter should be reopened when it comes — as I hope it will — before this Parliament in the near future.

**Mr Gundelach.** — I think I made it abundantly clear that the Commission takes this matter extremely seriously and has done so for quite a period of time.

In addition to our normal contacts, I was sent out to Japan, purely for this purpose, on a special mission in July in order to develop a strategy which could deal with this problem in a positive manner, and this mission met with a positive response.

Other Community institutions — I refer to the highest institution of the Community, the Council — are putting this matter on the agenda in order to find a solution which is compatible with defending our interests but also with maintaining, in a situation which is still extremely delicate in the world economy, free markets and a free international trade, upon which, I must repeat, this Community — which is responsible for more than 40 per cent of world trade — is more dependent than any other entity of the world, including Japan.

The Commission and I will go as far as we can within international rules to develop our legitimate interests and persuade the Japanese Government to take all the measures which they must take in order to allow our exports to increase. But we will not easily go down the road of undermining the international free trading system on behalf of any one Member State, a free trading system upon which the life of Europe depends.

**Mr Baas.** — (NL) Can Mr Gundelach provide us with a document on the trade discussions which have been held and on trends since 1970, and can this document be discussed in the responsible Parliamentary committees?

**Mr Gundelach.** — I will be extremely pleased to send an analytical and informative document to Parliament.

**Mr Lange.** — (D) Does Mr Gundelach agree with me that not only national interests but also, as you stated yourself, Community interests are involved, and that these Community interests must be looked after under GATT? We must require Japan to act in accordance with GATT and to stop certain aggressive trade practices which are not directly compatible with GATT. But the answer cannot be that we are going against GATT. Certain ideas expressed in this House are not in accordance with GATT.

**Mr Gundelach.** — I can give only a confirmative answer to the question. We will at any moment defend the Community interest in international institutions — foremost GATT — but other institutions also come into question. Whenever there has been the slightest chance that we were being subjected to unfair practices, we have dealt with it and we will continue to deal with it.

**President.** — Question Time is closed. I thank the representatives of the Council and the Commission for their statements.

Questions Nos 21, 23, 24 and 27 are postponed to the beginning of the next Question Time, and Questions Nos 22, 25, 26, 28, 29, 30 and 31 will receive written answer.<sup>1</sup>

I now have to consult Parliament on the request tabled by the Group of European Progressive Democrats for a topical debate on the Commission's reply to the question on monetary compensatory amounts.

Are there any objections?

That is agreed.

##### 5. Debate on request:

###### *Monetary compensatory amounts*

**President.** — The next item is the debate requested by the Group of European Progressive Democrats on the question of monetary compensatory amounts.

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

**Mr Cointat.** — (F) We tackle today a weighty problem which, as the President-in-Office of the Council has pointed out, is not only an agricultural and budgetary problem, but also a monetary problem in the broad sense.

<sup>1</sup> See Annex.

## Cointat

It is not only the budget which is in question, but money in general, for Europe is ailing: she is suffering from a monetary indigestion which could prove fatal. The absence of monetary union precludes all progress by the Community, and it can be seen every day that the floating of currencies leads to disruptions, anarchy and confusion.

In the circumstances, it is necessary to distinguish between trade in industrial products and trade in agricultural products.

There is free movement of goods in the industrial sector, but the very sudden fluctuations in exchange rates give rise to imbalances which are detrimental to industry in certain Member States. The result is mass redundancies as, for example, in the textile and footwear industries. This situation also leads to national protectionist measures which are contrary to the principles of the common market.

I shall leave it at that as regards industrial products, but would point out that if we continue as we are doing at present we shall be jeopardizing the construction of Europe.

Things are more complicated where agricultural products are concerned, since prices are fixed in units of account by the Community and a system of monetary compensatory amounts has been introduced in order to safeguard intra-Community trade.

We witness currency slides which are sometimes staggering, with the Community making up in full the difference between the price corresponding to the new exchange rate and the price fixed in units of account. As was stressed a few minutes ago, the result is that the United Kingdom receives amounts compensating for a 37.3 % depreciation of the pound. The agricultural products intended for the United Kingdom alone cost the Community one million pounds daily; more than the Euratom budget in a single week! We are heading for an expenditure of 1 500 million u.a., whereas an appropriation of 1 100 million u.a. has been entered in the draft budget. This means that we are already faced with the prospect of a rectifying or supplementary budget.

In financial terms this situation is intolerable. Commissioner Lardinois himself said as much a few minutes ago. When a currency is ailing, the only doctor is the government concerned, but it is the Community which foots the hospital bill.

If the doctor is slacker, should Europe bear the whole cost? Certainly not. The Community governments share the responsibility because there is no monetary union. In the absence of this shared responsibility, the door would be open to negligence and indolence because Europe is putting up the money. Let us display financial solidarity by all means, but as for paying the bills unquestioningly, no! If the traditional remedies prove ineffectual or unsuitable, the necessary

conclusions must be drawn, however agonizing they may be. In order to avoid infecting others the patient must be isolated and treated apart. Needless to say, this would be catastrophic for the Community, and we must strive to avoid letting things reach such a pass.

So what is to be done? What temporary remedies are there in the absence of monetary union?

Our Group proposes two: firstly, degressive compensatory amounts; secondly, full-scale introduction of the European unit of account.

These degressive compensatory amounts should be run down compulsorily over a period of time, and a deadline, e.g. two years, should be fixed. This was the procedure, *mutatis mutandis*, when we had the system of fixed parities: when a currency was devalued, it was necessary to catch up the common agricultural prices. This procedure would give governments a choice: they would either have to devalue their 'green currency' progressively and pass the resultant burden on to the consumers, or they would have to introduce the measures necessary to raise the level of their currency. It would be a powerful incentive.

I spoke on the second remedy last September. An abnormal situation exists with regard to the reference currencies of which, as you know, there are five: the 'gold-parity' unit of account, the agricultural unit of account, the European unit of account, the European monetary unit of account and the budgetary unit of account.

This plethora of units demonstrates the lack of order in our present situation. We must go back to a single reference, which, in our view, should be the European 'basket' unit of account which is already used for the EDF and for the ECSC and which would make it possible to regulate and stabilize our currencies. Reviewing the European unit of account only twice yearly, as proposed, would mean returning to a 'semi-fixed parity' between the various currencies. In this way, intra-Community trade could be regulated and Community expenditure curbed at the same time.

These measures are envisaged by the Commission. We hope that the Council will examine and approve them as quickly as possible, because if no decision is taken before the end of the year, they cannot, in the normal course of events, be applied on 1 January 1978. If these measures are not introduced, agricultural Europe may well disintegrate, and the agricultural policy being the only common policy, as Mr de la Malène pointed out earlier, the whole of the European construction is similarly threatened.

We have no wish to see extreme unction administered to Europe. We rely upon the wisdom of the Council.

*(Applause from the right)*

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

**Mr Hughes.** — Clearly the figure given by Commissioner Lardinois this morning of 37.3 % for the United Kingdom's current monetary compensatory amount from next Monday presents Parliament with a terrifying problem. Although on the one hand we must accept that at that level it cannot continue — that the agricultural policy, the Community's budget, the whole structure of the Community are in jeopardy — by the same token, at 37.3 %, the problems faced by the British Government and by other Member States of the Community in a too rapid alignment are equally serious. The very size, while on the one hand creating the problem, also creates the problem of finding the solution and makes that more difficult.

When Conservative Members in this House suggest, as some do, that it should be done quickly in the interests of the farmers, they occasionally forget the interests of a whole lot of other people in the United Kingdom.

*(Applause from certain quarters of the left)*

They also forget, conveniently for them, in connection with aid to the British agricultural workers on this matter, that the agricultural workers also require a reform of land holding structure in the United Kingdom, and I should be glad if they would start supporting that as well.

Clearly, as of today, the whole MCA problem falls into four or five different areas, of which the agricultural and budgetary ones are in a sense the least important.

There is clearly a major budgetary problem for the Commission and Parliament. There is clearly a Community trade disequilibrium caused by the existence of that. No one can deny that. What is equally clear is that at present the pound and the green pound from next Monday are unrealistically valued.

None of us travelling around the Community can pretend for a moment that 37.3 % is a realistic reflection of the purchasing power of the pound in terms of a basket of goods. It is a monetary relationship, not a commodity relationship. As such — one does not need necessarily to quote Helmut Schmidt — the pound is undervalued in relation to the rest of the Community's moneys.

It is first — I follow the previous speaker here — necessary to deal with that area in isolation from the agricultural problem. Secondly, it is quite clear that if the British devalued the green pound too rapidly, the pressures upon the consumer from pushing up his food prices when his income is being held down, would be intolerable. The repercussions of this on the levels of trade within the Community would be very considerable.

It will not be very long before we debate in Parliament the problem of surplus milk. If the price of butter to the British consumer is increased by 37.3 %, will that help get rid of the butter mountain? Will

that help the Community producers of butter? It cannot do other than harm in that respect. If there is too quick a shift, that area of demand is bound get out of phase.

Equally, if one looks at the international problems created by this season's drought, an immediate devaluation of the green pound on a major scale would differentially help those least adversely affected by the drought. Those who came out of the drought least hurt would derive the greatest benefit from a devaluation of the green pound. That must be allowed for when one works out how to get out of the difficulties created by it.

Thirdly — and for the Community as a whole, perhaps more important than anything — if increased food prices are imposed at a time when the economic recovery of the whole of Western Europe is in a state of some hesitation, it will not be possible to help with the macro-economic problems facing Europe over the next few months.

It is suggested in some sections of the press that the Government of the United Kingdom are, as it were, holding a pistol to the Commission and the Community to reform the Common Agricultural Policy and that unless they do so we will not cooperate on the green pound. What is clearly the position — and the present level of the MCAs is merely an illustration of that — is that the pricing structures of the CAP, far from being the main edifice that holds Europe together, have become and are becoming increasingly the device that will tear Europe apart; and if the CAP remains unreformed, whether or not there are monetary compensatory amounts, the fundamental problem of European agriculture will not be dealt with. No one in the British Labour Party or the Socialist Group can accept the continuation of a 45 % differential between German prices and our own — that is not in question. What is clearly equally unacceptable, however, is that the distortions that that creates should be compounded by creating additional converse distortions going the other way.

I therefore applaud the Commissioner when he says that six months is far too short a time. The whole of this area must be treated with great care. There are interests far more important than those of the British farmers at stake and these must be taken into account. The Community as a whole must tread gently and carefully upon the proper and particular susceptibilities of the consumer, not just in Britain but throughout the Community, and of the producers throughout the Community.

*(Applause from the left)*

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

**Mr De Koning.** — *(NL)* Mr President, on behalf of my Group I should like in this debate to express the

## De Koning

great concern that we feel about monetary developments within the Community and the consequences that have become apparent, including those in the field of monetary compensatory amounts. This is one of the symptoms which suggest that our policy is in a very bad way. If — as other speakers have rightly pointed out — we just confine ourselves to this, we shall be paying too much attention to simply treating the symptom rather than the illness.

This does not alter the fact that the figures quoted by Mr Lardinois this morning clearly show that the system of monetary compensatory amounts, which functions well as such, is beginning to get completely out of hand. Mr Cointat has explained, in his own lucid fashion, how that system works and what it is hoped to achieve by it. The latter point is most important and should constantly be kept in mind.

The system of monetary compensatory amounts is intended to lessen the impact of currency fluctuations, to spread out the consequences of these fluctuations over a period of time and to enable the agricultural sector to adjust gradually to them. The monetary compensatory amounts are thus a kind of first aid to make up for the lack of coordination in the field of Community monetary policy — insofar as one can talk of such a policy existing already — and a lack of coordination between monetary policy and the Common Agricultural Policy.

The Common Agricultural Policy is based on stable currencies with a fixed value in relation to one another and a fixed value in relation to the unit of account. If this condition no longer applies, the Common Agricultural Policy is like a house built on sand. We know — and Mr de la Malène mentioned this as a reason for holding this topical debate — that when the Common Agricultural Policy totters Europe totters too.

This condition of a fixed relationship between the values of the various currencies, and between the various currencies and the unit of account can only be met by setting up an economic and monetary union. Unfortunately, we seem to be further from that aim today than ever before. The political leaders in the Member States lack the political will to take the far-reaching measures necessary to bring about this economic and monetary union. Budgetary coordination between the Member States is in fact a dead letter. We cannot expect the slightest positive influence from that quarter, let alone any serious attempts to achieve mutual coordination of general social and economic policy. Everyone is trying to find his own solution to his own problems, and the futility of carrying on like this is becoming clearer and clearer as time goes on. Europe's chaos in the monetary field, and in the general economic field as well, is the most striking proof of this.

Meanwhile the consequences of the lack of coordination are becoming intolerable with regard to the level

of the monetary compensatory amounts. When Mr Lardinois talks about a sum of a thousand million units of account for the United Kingdom alone, and of the likelihood of needing a supplementary budget of 500 million units of account, it is absolutely clear that both financially and politically we have come to the end of the road.

Now if these thousand million units of account were used sensibly there would still be something to be said for the arrangement. However, the actual effect of the monetary compensatory amounts for the United Kingdom is that of a completely undirected consumer subsidy.

We have had heated debates in this Parliament on extending the possibilities of the Social and Regional Funds. From all sides, and not least from the countries that are at present in difficulties, have come requests for larger appropriations for these Funds so that more effective projects could be undertaken. If the sort of sum that has been mentioned could be used for direct projects in the realm of the Social and Regional Funds for improving economic and social structures, the effect would be many times greater than anything we can actually expect to achieve at the moment.

Far-reaching revision of the system of MCAs is both possible and necessary in our view. We shall have to arrive at a system in which the idea of complete compensation is abandoned and the compensation given from the start is more than two-thirds or three-quarters of the difference arising as a result of currency fluctuations. We shall have to incorporate into that system a fixed phasing-out rate. Thus it will be possible for the MCAs to disappear within a reasonable period, during which farmers and consumers will be obliged to adapt to the new monetary situation. Such a change is not easy to bring about and can only be effected if it is compensated for in some way. It is clear that Member States with economic problems will ask the Community for other measures to relieve their problems.

Such a system of monetary compensatory amounts must also fit into the framework of financial support operations. The International Monetary Fund is at present making preparations for such an operation, and supplementary action will perhaps turn out to be necessary in an EEC context. In our opinion strict conditions must be laid down for these support operations.

This does not mean just the usual conditions such as the requirement of putting one's house in order. Another condition is that the MCAs should be phased out at an agreed rate.

Finally, I should like to point out the great importance that we attach to preserving the Community

**De Koning**

character of any operations undertaken. The Member States have pledged mutual solidarity, in financial affairs as well. Clearly, any member that appeals to this solidarity must also be aware of its own responsibility. Threats are not compatible with the nature of the Community operations I have mentioned. It is a matter of persuading and convincing. My Group hopes that the Commission and the Council will succeed in breaking out of this impasse. If, contrary to expectation, they fail, the political, economic and social tensions and social tensions within the Community will rise sharply. If they succeed, then the result could be a strengthening of the Community.

*(Applause from the centre and the right)*

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

**Mr Kofoed.** — *(DK)* Mr President, the debate in this Assembly clearly reflects the gravity of the monetary position. It is clear from press reports that in the past six months, the Council has not been able to decide on the measures required to remedy this sorry situation.

There is no doubt — as previous speakers have said — that the monetary compensatory amounts no longer serve the purpose for which they were intended. Monetary compensatory amounts were designed to compensate for distortions in competition so that farmers could count on getting the prices which were laid down by political decision once a year. Instead, it seems that those monetary compensatory amounts are being used for entirely different purposes. In fact, they are now directly distorting competition. We can see the different rates at which incomes are increasing in the different countries, the German farmer's economic advantage over his British counterpart — this was not the intention.

Also, it seems to me — speaking on behalf of the Liberal and Allies Group — that the monetary compensatory amounts are being used as food subsidies rather than to harmonize prices paid to farmers. There must therefore be something fundamentally wrong with the system of allocating monetary compensatory amounts. It seems in effect that they are leading to abuse — and I think it is a form of abuse when the British Government will not agree to a devaluation of the green pound. It cannot have been intended that Community solidarity should work virtually in one direction only.

It is also up to each national government to solve its own problems. If this is not done there is then a risk — as other speakers have pointed out — that the agricultural policy will simply collapse. This system is unworkable. Although some people have a short-term advantage from it, the longer we wait to change the system, the more difficult it will be to do so. I agree with Mr Hughes to this extent, that an instantaneous

and radical change in the system of monetary compensatory amounts would be a difficult undertaking. I would however point out that steps should have been taken to deal with the problem at national level six months ago. It was known at that time that things were going wrong.

I have nothing further to add, but I call on the Commission and in particular the Council to produce measures to rectify the situation.

I agree with Mr Cointat that the matter must be dealt with without delay.

If no proposal is forthcoming for initial steps to deal with these problems it will not be possible to begin realistic price negotiations, much less complete them.

I am therefore grateful that this debate has taken place and would call on individual Members to bring their influence to bear at national level. It is of course at national level that preparatory work to deal with situations of this kind is undertaken.

*(Applause from the right)*

**President.** — I call Mr Scott-Hopkins to speak on behalf of the European Conservative Group.

**Mr Scott-Hopkins.** — It is indeed a sad day when we are constantly hearing of the problems and difficulties of my country. Mr Cointat said — and I understand the way he meant it — that when a patient is very sick he has to be isolated and cured. The patient he referred to is my country. It gives me no pleasure to say to the House 'I told you so'. For the last two years the Conservative Group has been saying that the green pound is getting out of step with other currencies and that action should have been taken consistently over that period. We have said that particularly over the past six months.

The 37.3 per cent gap and the 45 per cent in respect of our trading with Germany, referred to this morning by Commissioner Lardinois, are intolerable. It is no part of my job today to attack my Government back at home. I could not say anything in this House comparable to what was said by the Leader of my party, Margaret Thatcher in the House of Commons on Monday night. Most people will have seen a report of what she said in the Press, and it completely expresses my feelings about our economic situation.

As Mr Hughes said, it is not just the agricultural industry that is in difficulty, nor is it only the Green Pound. The trouble is much more deep-seated, as Mrs Thatcher said on Monday in the House of Commons. The situation of our farmers is getting worse. Our consumers would be put in an excessively difficult position by the devaluation of the green pound by even one half of the 37.3 per cent.

Mr Hughes tried to suggest that the Conservative Party was proposing that this should happen, but I am sure that he knows full well that that is untrue.



**Scott-Hopkins**

Nevertheless, in view of the extreme importance of the consumer interest both in the United Kingdom and elsewhere, this situation cannot be allowed to continue. We have heard two proposals from Mr Cointat, the first of which merits careful consideration. It is for a compulsory degression of the level of the percentage gap for the green pound — which is the sickest of the currencies at present — and of the other currencies. In the absence of a common currency and economic and monetary union throughout the Community — mentioned by Mr de Koning — we have to bring down the gap by successive steps. It is not for me to argue whether the steps should be 5 per cent or 7½ per cent. That is for the financial experts, bearing in mind the consumer interest in my country and other countries, to decide. But quite obviously it would be round about that sort of bracket. This will have to be done to bring these currencies more into line.

At Question Time Mr Lardinois said that six months would be too short a period. I am sure that he is right. If we are to put this situation right — setting on one side the economic situation of my country, or assuming that our situation will get a little better, which I hope it will — it will take at least 18 months before we can get the situation back into balance. I would like to see it happen more quickly, if possible, but I do not believe that it will, now that the gap is as great as 37.3 per cent and considering that it will probably get worse within the next three weeks.

Therefore, I hope that there will be a steady degression which will be accepted by Member Governments. It will be put forward as a proposal by Mr Lardinois that there should be a percentage drop of 5 per cent or 7 per cent, or whatever it may be, each month or perhaps each quarter, to bring things back to the former level.

We must bear in mind the farmers' interests and the consumers' interests and also remember what is tolerable within the economic situation not only in the United Kingdom but in the other Member States of the Community. I hope that this set of proposals will be put forward and that at the end, when we have got back to the situation that we were in in 1973, with a gap of between 7 per cent and 7½ per cent, we shall be able to have some automatic machinery which will have been devised by the Commission and accepted by Member Governments — within a year or 18 months — whereby any changes in the value of currency will be automatically adjusted over a period of months. How that machinery will work in detail I cannot discuss at the moment, but I hope that it will be part of the proposals to be put forward by the Commission with the minimum of delay.

We cannot possibly continue as we are. In my view the common agricultural policy is one of the vital struts in the building of the European Community. We cannot allow the situation to flounder because of what is happening particularly in the United Kingdom but not only there. There must be action in the shortest time in order to start getting the situation back into balance.

*(Applause from the centre and from the right)*

**IN THE CHAIR : MR BORDU***Vice-President*

**President.** — I call Mr Lange.

**Mr Lange.** — *(D)* Mr President, honourable Members, the starting point for this debate is agricultural policy. The basic issue is the disintegration of the Common Market resulting from the fact that our currencies are developing at different rates and the measures necessitated by this in the form of monetary compensatory amounts. I should first of all, however, like to comment on our own position as Parliament.

If we demand restraint from the other Institutions, in this case economic and monetary restraint, we must ensure price restraint as well. As far as the latter is concerned, this House is not entirely free of blame, if I think back to the debate on price increases in the 1976 financial year. The Commission had made certain proposals, but these were overridden, against the wishes of a relatively large minority, by the decisions of this Parliament. We should not therefore act as though the responsibility for agricultural policy and its consequences lay only with the other Institutions. It is our responsibility as well. I just wish to remind you of this, since our credibility is at stake. I should like to leave any further comments to our colleagues on the Committee on Agriculture.

The Committee on Budgets, which had to deal with the question of monetary compensatory amounts, made it quite clear that the difficulty lies not in the agricultural policy but simply in the consequences of what we call the lack of a uniform economic and monetary policy. Although this has already been stated in this House, I should just like to repeat it: we must have a uniform economic and monetary policy. I took the opportunity of asking the President of the Council in a private conversation what he thought were the chances of a more harmonized economic and monetary policy under the present conditions, which are anything but satisfactory. We must try to resolve this dilemma one way or another and at the same time, of course, reinforce the political will of the Member States.

**Lange**

In all quarters the Member States are seen to be making an effort — how successfully is another question. However, this effort must be stepped up.

I now address myself to you again, Mr President of the Council. The Council must endeavour to implement finally what has already been decided countless times with regard to greater convergence and coherence of economic and monetary policy.

In my view, one of the decisive steps towards this goal is for the countries which let their currencies float freely to try to return to the currency snake subject to certain conditions, because basically the only chance even for these currencies is within the snake, in collaboration with the European Monetary Fund — which is not as active as we would like it to be.

Further prospects are afforded by the granting of short- and medium-term financial assistance to countries which have fallen into balance of payments difficulties of a general nature; in other words, the Community is quite capable of demonstrating solidarity.

If, however — and I think this is a very important point — instead of taking measures dictated by considerations of prestige, the countries ignored such considerations and took measures to deal with the real economic and social needs, these difficulties in the monetary policy sector could also be overcome.

In order to do this, of course, we must finally decide to introduce, together with certain other measures, a common unit of account for all sectors of Community activity. I am fully aware that this cannot be done a transitional period, and equally aware that, as has already been said, concomitant measures are necessary in various sectors, especially agricultural policy.

However, one thing must not be overlooked; this too has already been mentioned. The Community has other instruments at its disposal, but it must be allowed to use them. If the Member States could therefore agree to strengthen regional and structural policy accordingly, so as to even out the differences between the various regions to some extent, this would be a considerable step forward which at the same time could make things easier for us in the agricultural sector.

If we were to do the same thing with regard to social policy, some progress could likewise be made. Various Members have already given their views on this, but I should just like to emphasize it once again, since I consider it to be an essential point. We shall never do away with these monetary compensatory amounts as long as we do not have the courage to put into effect a number of things which have already been decided but from which each government shrinks back for fear of offending certain sections of the electorate.

We must all be quite clear about one thing: we can never please everybody in the Community. We must act according to actual developments and their possible socio-economic effects. Hence my renewed appeal to the Council and the Commission, and to this House as well, to work together to harmonize the Community's economic and monetary policy wherever possible in order to solve these problems affecting agricultural policy.

However, if you will allow me to make this heretical remark, I am not convinced — presumably none of us are — that agricultural policy can be regarded as solely a prices policy. If it were, indeed, this would amount to ignoring the Treaty.

We must therefore support the Commission's original plans for amending the agricultural policy. I call upon the Commission to renew vigorously the efforts which it began three years ago. It will have the support of this House.

**President.** — I call Mr Dykes.

**Mr Dykes.** — Mr Lange is a very resilient character. He will not mind my saying that he is one of the most selfish politicians in this Parliament. He always speaks at too great a length. He does not know as much about the subject as Mr Cointat, who opened the debate. Mr Lange was repeating himself.

This is a very important, urgent and, indeed, sad debate as my colleague Mr Scott-Hopkins indicated. It is a very sad fact to reflect that not only has this Community hitherto failed to produce Economic and Monetary Union, but the agricultural arrangements under the common policy are facing a major threat as a result of the dislocation of currency.

Whilst I understand to some extent what Mr Hughes, on behalf of the Socialist Group and indeed, the British Labour Party, said, namely, that the consumer interests must be protected above all — by definition there are more consumers than there are farmers — it is all very well for those British Socialists in Parliament to say this kind of thing. I hope they are proud that they are supporting a Government whose pathetic economic policies have produced this impasse in the currency, this decline in the value of the pound and, therefore, this problem. If the British Government were courageous enough to devise decisive and disciplined policies in connection with the devaluation of sterling, which is now reaching scandalous proportions, then indeed some part of this agricultural problem would go away. It is all very well for them to say that the rest of the Community must now accept the *fait accompli* of the gross and disgraceful devaluation of the pound sterling and continue to apply this wholly artificial and indefensible system of monetary

## Dykes

compensatory amounts which have got completely out of hand. When some months ago the Italians accepted a devaluation of the green lira to the full extent of the depreciation of their currency, when the Irish have taken the first step along a similar road, it ill behoves British politicians to say that any adjustment must be ruled out automatically and cannot be defended.

But, of course, the interests of the consumer must come first. It is therefore surely inevitable that over a reasonable period — maybe six months, maybe a year or whatever the period is — as Mr Scott-Hopkins proposed, two things must be done. First, some kind of automatic adjustment must be introduced. Secondly, there must be the cushioning effect for consumers, and particular for housewives foodstuffs in the shops, as this is done. How is this to be done? It has to be worked out as a technical matter. I am as anxious as Mrs Dunwoody to protect the consumer. To say that no change can now be brought in is absurd.

Incidentally, it does not serve the consumer very well in the longer term if farm incomes in the United Kingdom face a decline so grievous that farmers are unable to maintain prevailing levels of production in key products. It seems to me equally indefensible and, indeed, impossible, or at the very least so impractical as to make it impossible, to try to consider this product differentiation treatment *vis-à-vis* different agricultural products. Surely the same treatment will have to be applied to all.

May I also suggest that some kind of additional transitional subsidy might be considered which would once again reduce the impact on the housewife?

Above all, let this Parliament in facing these sad but necessary matters be courageous enough and clear enough to try to determine the exact effect the British housewife in the shops of whatever percentage change in the green pound downwards is eventually agreed upon in this painful way. I understand that the ratio might be four to one. Could the Commissioner try to give a little more information on this?

To return to the theme of my colleague, Mr Scott-Hopkins, the sooner we can get this out of the over-charged and overheated political cockpit where a painful adjustment has to be made and into an automatic procedure, the better.

*(Applause from the centre and from the right)*

**President.** — I call Mr Gibbons.

**Mr Gibbons.** — I support the proposal made by my colleague, Mr Cointat, when he opened the debate and asked for degressive MCAs, the planned progressive elimination of MCAs and the establishment of a Euro-

pean unit of account. There seems to be unanimity in the House, or at least over a great part of the House, that the present situation is intolerable and cannot continue. I suggest that the existence of the Common Agricultural Policy itself is at stake if the system we are now conducting is continued very much further.

I remind the House again of the budgetary implications of the maintenance of the present system of MCAs, especially in the context of the failure of the United Kingdom Government to devalue the green pound in recent times. In my eyes — and I do not think that this can be seriously contradicted — this device leads to a situation where the European Community is subsidising consumer goods to British housewives. By nature there is nothing wrong with that if it is applied throughout the Community, but this is where the difference lies. If the funds that are being used in this way were directed, let us say, to the Social Fund or to the improvement of the EAGGF, the benefits could be spread evenly throughout the Community and the Community's consumers, rather than the British consumers alone, would be able to benefit from Community funds.

I want to talk about the extraordinary distortions of trade that occur under the present system. It is not possible — at any rate it is becoming increasingly difficult — for Irish bacon exporters to compete in the British market against Community competitors from hard currency countries such as our Danish friends, because of the serious imbalance that exists in the question of monetary compensatory amounts. It amounts in effect to £ 8 a pig. This is depressing pig production in my country, whereas the aim of the Common Agricultural Policy should be to rationalize agricultural production throughout the Community as a whole.

If we are ever to have a really comprehensive common agricultural policy, we must use the agricultural resources of the Community in a rational way. My country, probably more than any other Member of the Community, is suitable above all for producing livestock. However, the restrictions placed on my country in the matter of exporting cattle to the mainland of Europe create difficulty at present. They restrict the expansion of this trade.

I could go on a great deal beyond my time expanding on this subject. I do not want to do that. I suggest that the funds which are being unequally distributed in the form of subsidies to the British consumer could be eliminated: the expensive MCAs could be eliminated altogether and the savings thereby effected made available to help the disabled people throughout the Community as a whole — whether they are disabled through age, infirmity or whatever.

**Gibbens**

As I say, this debate has been very interesting in that it has revealed a very broad consensus to the effect that the situation as we now have it is intolerable. I therefore suggest that the proposals made by my colleague Mr Cointat from this political group be seriously considered by the Commission.

*(Applause from the benches of the Group of European Progressive Democrats)*

**President.** — I call Mr Howell.

**Mr Howell.** — I am in complete agreement with Mr Cointat, Mr de Koning, Mr Kofoed and others in the way they presented the case. I find Mr Hughes and the attitude of the Socialists completely incomprehensible. They say that something should be done and then seemingly they agree with their government in doing nothing. This is absurd, but once again they face both ways at the same time.

I want to bring a few facts about producers to the attention of Parliament. The Dutch producer of milk receives 12.4 per cent per 100 kilos while the British producer receives 8.5 pence. Thus, nearly 50 per cent more is received by the Dutch farmer than by the British farmer. As regards pig production, the position is equally serious, if not more so, because we are under the most severe competition with bacon from Denmark which carries a huge subsidy.

The 7.5 per cent devaluation of the Irish currency will mean that the Irish bacon factories have a £6.50 advantage over the Ulster factories and there will be tremendous troubles on the border there as a result of this devaluation.

I should be borne in mind that the British producer is buying his fertilizer and a great percentage of his machinery and other inputs at the full rate and receiving the devalued rate for his procedure. This cannot continue any longer. We in Britain are facing a most serious economic crisis. In that serious economic crisis it will be necessary for us to maintain our food supplies. I believe that unless this matter is corrected very quickly there will be a downturn in British production which will have the gravest consequences for Britain. The British Socialists should bear this in mind.

In my earlier intervention I drew attention to the fact that two independent bodies had urged the Government to realign the green pound. One of them is the Agricultural Committee of the National Economic Development Council, which is an independent body on which union members and consumers serve, as of course the Socialists know perfectly well when they talk of me just putting the case for the producer.

Even more significant is the forward thinking of the National Union of Agricultural and Allied Workers. Of course I do not agree with all that it says in its document, but it has been saying this for years. What is significant is that it has had the foresight to recog-

nize that British agriculture must be made profitable if it is to survive, if fair returns are to be given to farm workers as well as to farmers, and if production is to be maintained in Britain.

The National Union of Agricultural and Allied Workers is streets ahead of these old-fashioned Socialists here and streets ahead of the British Government. It is about time that they paid a little more attention to that union.

I urge the Council and the Commission to exert all the pressure that can be exerted to save the British Government from their own folly. It is not a matter of criticizing the British Government. The British Government are making a grave mistake if they pursue this course.

*(Applause from the right, protests from the left)*

**President.** — I call Mr Maigaard.

**Mr Maigaard.** — *(DK)* Mr President, I should first of all like to say that I am not speaking on behalf of my Group. I am speaking as a Danish Socialist and, as a Danish Socialist, I should like to say a few words to my Labour friends who have talked about solidarity in this debate. Basically I agree that we...

**Lord Castle.** — He is a Communist. Make the distinction.

**Maigaard.** — *(DK)* ...No, I mean a Danish Socialist. I am afraid I must explain to my good Labour friend that I am a member of a Danish Socialist Party and that I do not intend either to change my opinions or the name of my party because Denmark has become a member of the European Community. That is the situation and he will have to accept it.

I should also like to tell my Labour friends that solidarity is important, and I agree when they say that we must stand together and try to solve the problems of those who find themselves in difficulties. That is right, it is an entirely proper attitude.

How does solidarity work in practice? I think people will seize on the remark made by Mr Lardinois this morning. He said that, in his view, the system we are now discussing distorted competition. It is true that distorts competition if the term is not interpreted too strictly. As a result we have problems, not only with those who have devalued, but also with those who have revalued, the Netherlands and the Federal Republic of Germany. We in Denmark, as a consequence, have lost a very large number of jobs — because of a system which is now defended more or less enthusiastically and wholeheartedly by Mr Hughes. We have lost jobs in the canning industry, in dairying, in abattoirs and in the transport sector because of the distortion of competition. We cannot talk of solidarity when Danish workers are unemployed because of a

**Maigaard**

system which Labour defends so enthusiastically in the name of solidarity.

Mr Hughes is quite right when he says that there is a connection — let us not seek to hide it — between incomes policy and a cheap food policy. There is a connection. The United Kingdom's incomes policy will succeed only if very low food prices can be maintained. There is quite clearly a connection. I should however point out that the incomes policy is a matter of indifference to Danish workers; are we then to say to those among them who are unemployed in the canning industry, in dairying, in abattoirs and in the transport sector: you are unemployed so that you can help to pay some of the costs of the British Government's incomes policy?

That is truly the situation as we see it. It is a situation which we cannot accept and certainly not as an example of solidarity. Clearly we cannot go to Transport House to get the jobs which we have lost. Or can we? Can you guarantee the jobs which we have lost because of this crazy system?

I am therefore of the opinion that it is important to discuss solidarity also at international level but I cannot accept that the system now defended by Labour is an example of solidarity in the case of the Danish workers who are unemployed because of that system.

*(Applause from the right)*

**President.** — It is time to call Mr Lardinois.

I call Mr Baas on a point of order.

**Mr Baas.** — Mr President, five or six members of some delegations have spoken. I asked to intervene 20 minutes ago and I do not accept that I cannot make my intervention.

**President.** — I am very sorry, Mr Baas, but the time laid down in the Rules of Procedure for this type of debate has elapsed.

I call Mr Lardinois

**Mr Lardinois, Member of the Commission.** — *(NL)* Mr President, I am glad to have the opportunity in this topical debate to deal more thoroughly with these extremely urgent questions.

Mr Cointat said that the question of monetary compensatory amounts covered a much broader field than that of agriculture alone or of the budget as such. I fully agree with this. The present situation, with floating currencies on the one hand and four interrelated currencies on the other hand, gives rise to enormous strains on the whole economy of the Community. I am convinced that this system has outlived its usefulness: either we develop a different system, or the Community will not survive for very long. I am absolutely convinced that the Community economy as

a whole cannot survive this sort of thing for much longer. Much more than agriculture is thus at stake.

It is not simply a question of whether or not Great Britain will go along with marking adjustments to the monetary compensatory amounts. The current situation in Italy, for example, where there is not only a requirements for a cash deposit of 50 % but also a tax of 10 % on currency transactions, is decidedly not in accordance with the classical philosophy of a common market. This is just one example; I shall give others presently.

I thus agree with Mr Cointat that the system of widely fluctuating exchange rates, with some countries acting quite independently of others which have interlinked currency systems, has had its day. If the Finance Ministers do not realize this they will soon find — of this I am convinced — that their system is perhaps still in existence, but not the Community.

I could say 'told you so'. I did, after all, point this out in the spring when I, perhaps rather too dramatically, announced my resignation. But even I did not foresee then that the situation would deteriorate so rapidly. In a sense I am glad that I can still contribute to helping repair the enormous damage.

In the next ten days or so we hope that the Commission will submit proposals to the Council for modifying the system of monetary compensatory amounts. This system, as it operates at present, cannot be maintained. The Council has asked the Commission to make such proposals and we hope that these can be discussed at a joint meeting of the Ministers of Agriculture and the Finance Ministers on 26 October next.

Parliament, however, will also have to be kept informed. On 26 October it will only be possible to make those changes in the system which do not require any amendments to the basic regulation. However, there is no getting round the fact that the basic regulation must be revised and on this we shall have to ask Parliament for its opinion. I hope that Parliament will be in a position to give this opinion, and in particular that time can be found for this in the November part-session. This is, after all, a question of one of the basic regulations on which the Common Agricultural Policy is founded.

Mr Cointat also mentioned the so-called European 'basket' unit of account. We in fact hope to be able to use this unit generally for the budget of our Community in 1978. However, I do not think it can be used for intra-Community trade in agricultural produce, since it would then no longer be possible to make allowance for variations from week to week and from day to day. As far as the budgetary expenditure of the agricultural policy is concerned, it is quite feasible and the Commission is prepared to begin discussions on this.

**Lardinois**

Mr Hughes said that the level of 37.3 % which will be reached next Monday is intolerable. He further said this clearly showed that the pound was undervalued. With all this I quite agree. The system was in fact designed to spread these adjustments over a longer period of time. We must of course not misunderstand one another: there is no question of the British consumer having to foot the bill and of the agricultural policy being so bad for that reason. Precisely the opposite is the case, namely that the British consumer has the maximum benefit from the devaluation of the British pound, i.e. subsidies amounting to 37.3 % on all agricultural products, including those not covered by the system. It is precisely an enormous degree of protection for the British consumer that he does not have to pay a higher price for these basic products in the agricultural sector. For all other products, whether coffee, tea, machinery for industry, raw materials or whatever, the adjustment is made directly. It is only thanks to the agricultural policy that we have an exception financed by the Community as a whole. If Great Britain had not been a member of the Community it would have had to meet the whole cost itself. With a similar prices policy this would have meant a sum of 1 120 million units of account for a full year.

I cannot see what the revision of the Common Agricultural Policy has to do with this. This policy is not under discussion here, nor can it be directly linked to the present subject. I would point out that two years ago we issued a memorandum on the Common Agricultural Policy. Parliament gave its opinion on this and as a result the Council drew certain conclusions. To go back on this whenever inflation in one of the Member States reaches an intolerable level is, I think, to say the least misplaced. I quite agree with Mr Hughes that the subject at present under discussion goes far beyond British agriculture alone, but that British agriculture and the British food industry must not be overlooked.

I listened with great interest to the points made by Mr Maigaard. He said that the system led to distortion of competition, so that in Denmark, for example, jobs were being lost. I do not think he is fully aware of the situation, for the main effect of this system is that jobs are being lost in Great Britain. Here tens of thousands of jobs, particularly in the pig-breeding sector and in the processing industry, are directly threatened. I do not understand: in general, British industry is asking for measures to restrict imports. They want to put up barriers, as Italy is also doing, albeit in a different form. The monetary compensatory measures, however, are in fact the opposite. They are in reality large import subsidies. If we carry on with the present system much longer some 80 000 jobs will be directly threatened in the pig-breeding sector and allied industries alone. That is a lot of jobs. Perhaps that is the price they are prepared to pay, but it seems to me that we should also look at this from the European point of view, otherwise we may well find ourselves in the

situation that developed in Italy in 1973. In that year the Italians wanted to profit from these monetary compensatory amounts. They saw their chance and in that year they sent 25 % of their livestock to the slaughterhouse before discovering exactly where the mistake lay. Italy did not consult us and we did not understand the subject as well then as we do now. I can, however, say that Italy has still not recovered from the slaughtering of a quarter of its livestock. Imports of meat products will continue to represent a particularly large drain on its currency reserves in the next few years.

I am afraid that something similar is now happening in Great Britain. I must say that certain sectors cause me particular concern. The system now under discussion in fact works best and most beneficially for those countries, such as the Federal Republic, which have positive monetary compensatory amounts. I have repeatedly said here that in my opinion German agriculture has benefited disproportionately from the fact that we have kept the monetary compensatory amounts system going for too long.

I hardly need to remind you that the continued fall of the French franc and the Italian lira has affected agriculture in these countries very adversely. Once again, I recognize that adjustments cannot be made immediately; 37.3 % cannot be phased out in six months, nor even, I think, in a year. A longer period is needed. This, by the way, does not mean that British prices have to rise by 37.3 % but by 28 %. We are talking here about percentage points, and a real devaluation of what we call the 'Green Pound' has a somewhat different effect on the calculation. Prices thus have to rise by 28 %, and on top of that there will be a number of additional measures to normalize the situation, because the accession arrangement cannot in my view be implemented in the short term. I think this will cause tremendous tension during next year, particularly in the spring, when Parliament, the Council and the Commission will have to decide on the new prices. I shall no longer be involved, but I must say that I view the prospect with trepidation. The question is whether it will even be possible next year to reach agreement in the Community on this point. To a certain extent it is reassuring to know that Great Britain will then have the presidency not only of the Commission but also of the Council, and I hope that this will in fact encourage the British Government to pull out all the stops, which it is hardly doing at present. This year Great Britain has rejected two proposals from the Commission for the adjustment of the 'Green Pound': one in March in connection with the price decisions, when we proposed 3 %, and a second proposal last week. Our proposal last week was for an adjustment of 4.6 %, i.e. 6.2 points to maintain the level of 28.6. If I had to re-submit that proposal now, an adjustment of 6.2 points would not be sufficient and 8.6 points would be necessary to maintain the level of 28.6. I was most disappointed that the British Govern-

## Lardinois

ment reacted so negatively to these really very moderate proposals. We fully recognize that this concerns consumers and that this question must also be seen in the broader context of the fight against inflation. For this reason we confined ourselves to maintaining the monetary compensatory amounts and re-valuing British prices by 4.59 %. That would have had the effect of raising the cost of living in Great Britain by 0.31 %. We also suggested that the British Government take other measures on trade between Great Britain and the rest of the Community which would have reduced the 0.31 % to 0.18 %. This proposal was also rejected. I think this is a very serious matter, and thus both the Council and the Commission concluded that this system can no longer be maintained without amendment and that far-reaching changes must therefore be made. I should also like to point out that this does not concern Great Britain alone; it is naturally also of great importance for other Member States, and even for certain countries outside the Community.

We make payments to New Zealand, for example, in units of account, based on the values in the 'snake'. This means a difference of 37.3 points. We also pay the sugar producers, whether in the Fiji islands, Mauritius or the West Indies, the full Community price, which is 37.3 points above what the British farmer at present gets. This costs the Community an enormous amount. In brief, the problems of trade with third countries are also closely linked to this question. It means that the Community's receipts in connection with imports of agricultural produce are considerably lower than in a normal situation. When I talk about a sum of 1 100 million u.a. for Great Britain alone, that is an item of expenditure. We do not count the additional reduction in income, which is also relevant — income which in the specific case of Great Britain will be of little importance to us until 1980 because until then it is linked to a fixed scale. For other countries, however, it is important.

Italy and France, for example, are suffering large losses with regard to their own income from the levies and customs duties on agricultural produce.

There is also considerable distortion of competition, since the MCA system applies to some agricultural products, cereals and sugar for example, and not to others, for example vegetables. This means that in Great Britain price ratios develop between cereals and sugar on the one hand and vegetables on the other hand which are completely different from the average figures for the Community.

Mr Cointat and Mr De Koning made a number of specific suggestions which I cannot deal with thoroughly at the moment. I can, however, say that the various suggestions are at present under consideration by our departments and that when we put forward our proposals in ten days or so various sugges-

tions, including those made today, will probably turn up in our final proposals. You must understand, however, that I cannot go into this any further at the present time.

What Mr Howell said about competition between the countries on one side of the North Sea and those on the other side of the North Sea is quite right. There is no justification for these competitive conditions, although I must in all honesty add that when we compare the dairy prices in Great Britain with those in the Benelux countries and Germany we must also take agricultural wages into account, and these are nearly twice as high in the Benelux and Germany as in Great Britain. This difference does not exist in real terms, but does appear if the figures are expressed in dollars, pounds or marks. This difference bears no relation to the differences in productivity but is caused by these monetary developments, which I regard as scandalous.

To those who believe that this system of floating currencies is right because it is a market system I should like to say — and of this I am quite convinced, particularly as a result of the experience I have gained over the past ten years — that I think it is a scandalous system, a system which is intolerable within the Community because it is a system which ensures that the rich get richer and the poor get poorer!

*(Applause from the centre and the right)*

**President.** — I call Mr Brinkhorst.

**Mr Brinkhorst, President-in-Office of the Council.** — *(NL)* Mr President, following Mr Lardinois' very complete and thorough exposé, you cannot expect me to make a long speech. I should just like to mention a few key points which seem to me to be of great importance.

You will all be aware that unless the Community takes some action, the Common Agricultural Policy as a whole is now threatened. It's all very well saying that we have failed in the past to achieve greater economic convergence and monetary coordination in the Community, but unfortunately politicians more often than not tend to take action only when it is nearly too late. I should thus just like to make a few comments from the point of view of the Presidency, which naturally has a part to play here.

Mr Lardinois has already spoken of the need for the Finance Ministers and Ministers of Agriculture to take joint responsibility here. I can assure you that the Netherlands presidency supports the Commission's view that a joint meeting is needed because the present problems go beyond just those of agriculture. It is in fact a question of supporting the agricultural policy by means of economic and monetary cooperation.

With this in mind the Netherlands' President-in-Office of the Council put forward at the beginning of

**Brinkhorst**

July a number of suggestions which have since become known as the Duisenberg plan, with the aim of furthering economic convergence and discipline in monetary matters. These two things go inseparably hand in hand. These suggestions were already under consideration before the disastrous developments concerning the pound sterling. Now, however, it is becoming more and more urgent to take measures fairly soon. We hope that during the meeting of Ministers of Agriculture and Finance Ministers it will be possible to make progress in this field.

As to the budgetary repercussions, I would remind you that I am also here today in my capacity as President-in-Office of the Council of Finance Ministers. In the short term we shall have to try, in consultation with the European Parliament, to draw up a European budget. Like the Council, Parliament is a budgetary authority. However, if it proves impossible to draw up the European budget without still allocating 75 % of total funds to the agricultural policy, it is absolutely clear that other very important sectors of European policy will be jeopardized. We cannot and must not go on putting up with a situation in which policies in other sectors cannot be pursued for want of financial resources, while the agricultural policy, particularly through the monetary compensatory amounts, is leading to an even greater erosion of the Community. The responsibility of the Council and of Parliament alike is of key importance here.

I should like to end with a political observation. We hear pleas for solidarity with consumers, or with producers, and for solidarity in general. Community solidarity, however, is indivisible. No progress can be achieved in one particular area if we are not prepared to pursue a common policy in other areas as well.  
(*Applause*)

**President.** — The debate on request is closed.

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

(*The sitting was suspended at 1.25 p.m. and resumed at 3.05 p.m.*)

**IN THE CHAIR : MR BEHRENDT**

*Vice-President*

**President.** — The sitting is resumed.

*6. Decision on the urgency of the motion for a resolution on the addition of skimmed milk powder to animal feeds*

**President.** — I now consult Parliament on the urgency of the motion for a resolution on the addition of skimmed milk powder to animal feeds (Doc. 356/76).

Are there any objections?

The adoption of urgent procedure is agreed.

I propose that this motion for a resolution be dealt with during the sitting on Thursday, 14 October, after the report by Mr De Koning.

Are there any objections?

That is agreed.

*7. Oral question with debate: Détente in Europe*

**President.** — The next item is the oral question with debate put by the Political Affairs Committee to the Conference of Foreign Ministers of the Member States of the European Community on détente in Europe (Doc. 274/76):

With reference to the Conference to be held in Belgrade in 1977, what are the views of the Conference of Ministers of Foreign Affairs on the present state of European détente?

I call Mr Radoux.

**Mr Radoux.** — (*F*) Mr President, Ladies and Gentlemen, the chairman of the Political Affairs Committee, Mr Boano, has asked me to present this question, which was drawn up by the Committee at its meeting last July. We are examining it today because the agenda was too full in September.

I wanted to make the point in order to stress that a year after the signing of the Final Act of Helsinki, the Political Affairs Committee of the European Parliament considers it worthwhile to ask the Council about the progress of the preparatory work for the forthcoming meeting in Belgrade or, more precisely, for the technical meeting to be held next June and subsequently the Conference of Ministers of Foreign Affairs also to be held in 1977. We are asking this Conference to give an appraisal of the present state of détente in Europe.

Going over this question in the Political Affairs Committee, we saw that some of the commitments made seem to have been acted upon, but that some clauses of the Helsinki Conference concerning one or other of the three baskets have not been respected.

I would remain members that not a week since, Mr Brezhnev stated that both the Soviet Union and the USA considered that the Belgrade Conference must not serve merely as a complaints counter.

That this sort of phraseology has been used is indicative of the fact that complaints will almost certainly be made on all sides. Consequently, we are asking the Council which provisions have been respected and which have not.

With your permission, Mr President, I will immediately put the supplementary question which I wanted



**Radoux**

to address in my name during this debate to the Council representative in his capacity as President-in-Office of the Conference of Ministers of Foreign Affairs. He can then reply to both the general question and the first supplementary question at the same time.

It is stipulated in the relevant texts that the June 1977 meeting of the Ministers of Foreign Affairs of the 35 signatory states to the Final Act of the Helsinki Conference should above all examine which of the commitments undertaken in 1975 have been fulfilled and which are still outstanding.

As the Community is a signatory to this Final Act, could the President-in-Office enlighten us as to what action the Conference of Ministers of Foreign Affairs has taken since then, and also as to what it intends doing between now and the preparatory meeting to be held next June?

Insofar as the general feeling is that additional steps must be taken to promote security in Europe and cooperation between European countries, how does the Council intend to proceed with regard to political cooperation so as to be able, if need be, to submit proposals to the other 26 participants at the Helsinki Conference when the time comes?

I should like to point out what I feel to be an important point, namely that having signed the Final Act, the Community should also be in a position to brief the representatives of the Ministers of Foreign Affairs in Belgrade next June.

I should also point that at least two major participants at the Helsinki Conference have set up committees to deal with these questions regularly and that others keep careful track of the outcome of that Conference.

On that note, I shall ask the President-in-Office of the Conference of Ministers of Foreign Affairs whether he can tell us exactly how things stand with regard to cooperation between the Nine in this context.

**President.** — I call Mr Brinkhorst.

**Mr Brinkhorst, President-in-Office of the Council.** — (NL) Mr President, at this moment, some nine months before the 'stocktaking conference' in Belgrade, it is useful to discuss the state of affairs in the field of *détente*. I do not wish to conceal from Parliament the fact that current developments with regard to *détente* in Europe have given rise to a certain amount of disappointment, at any rate on the Western side. This disappointment relates both to what has actually been achieved and to the immediate prospects. Looking back at the period since the signing of the Final Act of Helsinki, one inevitably comes to the conclusion that this document has not yet brought about much improvement in relations between East and West.

In general, there is little evidence that the countries of the Eastern bloc have done anything to implement its provisions, at least if one considers the so-called Basket 3 with the humanitarian aspects, by which I mean individual contacts, information, culture and exchanges. In my opinion the position with regard to human rights is thoroughly sombre. Meanwhile, we are faced with a build-up of military effort from the East, while the ideological struggle is also being intensified. It is in fact becoming clear that *détente* is part of this struggle. The negotiations on multilateral troop reductions show that in Central Europe there is little willingness to move towards the approximate equalization of ground forces.

It follows from what I have just said that the willingness of the Eastern bloc to work towards meaningful *détente* in the Western sense is still not very great.

A further point is that, in the context of the Conference on Security and Cooperation in Europe, pressure from Western and neutral countries for fuller implementation of the Final Act of Helsinki always produces signs of annoyance.

I do not think I can leave it at this somewhat sombre assessment. The feeling of disappointment that is undoubtedly present should not lead us to give up our efforts to achieve greater *détente*. On the contrary, it would not be realistic to expect Eastern Europe to move towards complete implementation of the Final Act of Helsinki over such a short period, particularly with regard to the sections which the Soviet Union does not like. The process of *détente* is, after all, a long-term process, one which will be marked by alternating periods of relative tension and relative *détente*.

As we all know, the second Conference provided for in the Final Act of Helsinki is to open in Belgrade on 15 June 1977. With regard to the tasks mentioned in the Final Act, it is essential that we should not be content with assessing the situation and putting forward new proposals, but should also discuss *détente* as a whole, that is the whole East-West relationship and the way it has developed in the past two years. If we in the West are to be able to contribute to making a favourable assessment of East-West relations at this Conference, there will have to be a positive attitude on the part of the Eastern bloc, both with regard to the implementation of the Final Act and in the field of multilateral and balanced force reductions. In addition, a certain moderation would seem to be required on the subject of armaments and ideological confrontation. In this way East-West relations could be considerably improved.

Mr President, the honourable Member's supplementary question concerns the way in which co-operation between the Nine is being put into effect in this period of preparation for the Belgrade Conference. On this I should like to make just one further point.

**Brinkhorst**

As you know, European political co-operation has been intensified more and more over the past few years. I think I can say quite simply that this co-operation at multilateral level has worked in an exemplary fashion, particularly with regard to the Helsinki Conference. The same exemplary co-operation is now being pursued in the preparations for the Belgrade Conference. These preparations, insofar as they concern matters relevant to the European Community, are naturally also being made in those fields for which the European Community is responsible.

*(Applause)*

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

**Mr Klepsch.** — *(D)* Mr President, honourable Members, I should first of all like to thank the President of the Council for the very precise way in which he expressed the Council's position.

When we discussed the matter in this House after the signing of the Final Act, my Group was in agreement with the Council that the results of the CSCE and its true significance cannot be assessed until the results are actually seen, depending on how far the fundamental principles and agreed measures have been put into effect by each of the participating states.

The Committee on Political Affairs has quite rightly and, in my view, at an opportune moment drawn up a sort of interim balance sheet, thus enabling us to be quite clear about what this House expected of the Community Institutions at the Helsinki Conference. In view of the short time at my disposal, I should like to concentrate on just two points.

One result we expected of the CSCE was greater security but, as the President of the Council rightly said, the arms build-up of the Soviet Union has, as NATO has found, assumed proportions beyond what may justifiably be termed defensive and which are a cause for some concern.

We also expected greater freedom of movement under the measures contained in Basket 3, and we were aware that the declaration of intent would not be respected unless it were possible to make real progress. However, we have had to observe a very serious deficiency in this respect. We adhered to the principle that both sides just make equal concessions and that it is of special importance for us, the Community, in particular to stand by the position adopted by the Community, namely the principle of equal concessions on both sides, in the field of economic cooperation as well.

On the question of development, the President of the Council is certainly right when he says that a whole string of complaints could be read out regarding non-fulfilment of the declarations of intent. That will certainly not be possible today. However, we ought to draw up this list quite matter-of-factly in the

Committee on Political Affairs. My main concern at present is to put forward a number of principles upon which, in addition to those already outlined, my Group hopes that the Community will base its position at the Belgrade Conference.

First and foremost we should like an assurance that, as in Helsinki, the nine Member States will adopt a common policy and that the continuation and consolidation of European union will not be impaired by whatever agreements may be reached. We should also like to be sure that commitments already entered into will not be interpreted in such a way that this follow-up conference will jeopardize the further development of the policy of European union.

We should like an assurance that the principle of equal concessions on both sides will continue to be the Community's basic policy in future talks, particularly in the economic field, as we demanded and welcomed at the last conference.

Thirdly, we should like to hear some plain speaking at this conference in those areas in which no progress has been made at all or in which, deplorably, it is to be noted that the fundamental principles agreed on have not yet been implemented. We should like a spade to be called a spade. Under no circumstances can we agree to any modification of fundamental and human rights and all that they imply. We should make it clear that we want to see these rights fully guaranteed in all fields in the signatory States.

Allow me to say in passing that my Group admires the struggle of the Civil Rights Movement in the countries of eastern Europe, particularly the Soviet Union.

We do not want Basket 3 to remain a mere illusion but to become reality. If it does not, it would seem to us that the concessions made by the western states in Helsinki have not been reciprocated.

Our views are quite clear on another point as well. My Group believes that we should under no circumstances embark on a course which would establish any sort of Soviet hegemony in Europe and which would result in the political unification of Europe being subject to the discretion and control of the Soviet Union.

In this year of blighted expectations, there have been numerous opportunities for justified criticism of the behaviour of many of the signatory states; I should just like to say briefly that the developments in Angola and the way in which the Soviet Union and Cuba acted there are not evidence of any great respect for the principles agreed on in Helsinki by the Soviet Union as a signatory state.

My Group stands by the statements we made during the last debate. We are delighted about the unequivocal words spoken today by the representative of the Council. However, we also feel that it helps nobody if we try to create the impression that progress has been made in areas in which none has actually been made.

**Klepsch**

Accordingly, I should like to thank the Council, and I should be grateful if we could be informed whether a change of negotiating principles is contemplated.

(Applause)

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

**Mr Caillavet.** — (F) Mr President, on behalf of the Liberal and Allies Group, I should like to thank the President-in-Office of the Council for his explanations. I would also like to tell him that we have been somewhat disappointed by the results of the Helsinki Conference. Consequently, we feel it is essential to take stock of our disillusionment before the Belgrade Conference.

With regard to political problems or problems concerning military security, for example, it is true that there is some reason to be satisfied. Thus, the contracting parties to the Helsinki Agreement have been informed regularly of military manoeuvres and thus know what is going on in this area. But with regard to economic cooperation, which was the subject of a very interesting debate this morning on trade between the COMECON and the Community, the results are fairly negligible, and the terms of trade at present show a deficit of 37 000 million dollars. I look to the President-in-Office for enlightenment as to the Community's future policy in this field, for in Belgrade, too, you will have to adopt a more open approach in the political and economic field.

But our disappointment is keener in respect of large-scale cultural exchanges, human contacts and respect for human rights.

Of course, you might say — and you would be right — there is reason to be satisfied on several counts. A greater number of visas have been granted to journalists and some people have been authorized to change their place of residence, especially in the GDR and in Czechoslovakia, but the problem of the Jews, especially in Russia, is still awaiting solution. The isolation, even within their country, endured by the Jews, who cannot even meet and who are ostracized, give us grounds for concern. We cannot tolerate this when it is our precise duty, by virtue of our liberal principles, to safeguard the dignity of Man.

The President-in-Office of the Council is in the process of making preparations for the Belgrade Conference in which he will participate. We hope he will be able to speak with a strong and firm voice, for we do not want disappointments. In the light of the rapid and summary assessment I have just made, we should like to know his policy in order to evaluate the action taken.

(Applause)

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

**Lord Bethell.** — When the Final Act was signed at Helsinki, not many of us had great illusions that it would be fulfilled to the letter. Some of us thought that it was a piece of nonsense from the beginning. Others hoped that it would achieve significant results in bringing about détente in the world. Some felt that it might reach some situation in between.

A year or so after the Final Act has been approved, one can see certain achievements. I have made certain inquiries and have discovered that, for instance, the question of notification of manoeuvres has been subject to some improvement in the past year. It is now more common for there to be mutual notification of manoeuvres on the East side and on the West side. This contributes to a relaxation of tension to some small extent.

There has also been a significant concession on the Soviet side in granting multi-entry visas to Western journalists entering the Soviet Union. This has been mentioned many times in the press. It is small but it is significant. We are grateful for any achievement that has come out of this Act. This is one such achievement.

It is also a fact that films and tapes are now allowed to be exported from the Soviet Union without a permit. This is another achievement. Is the extent of the Final Act, though?

I regret that I have to set against this small list of pluses which the Final Act has gained us a tremendous list of points where the Final Act is clearly not being fulfilled. There is, for instance, the clear provision in the Treaty that the Soviet Union will publish statistics about its production, about its industrial achievement. This is incumbent on all signatories to the Final Act. This is not being fulfilled by the Soviet Union or by any of the Eastern bloc.

There is a clear provision in the Final Act that newspapers will be available from different countries and will be put on sale and that further points will be provided where these newspapers may be bought, particularly in the Eastern countries, where there is very strict censorship.

I regret to have to report that there has been no such improvement in this respect. The number of copies of *Le Monde* which are imported into the Soviet Union daily is no more than 200 or 300. The same figure applies to copies of *The Times*. There is no significant improvement here.

The main realm where the Final Act is being flagrantly disregarded by the Soviet bloc is, of course, Basket III, the question of humanitarian considerations. Here I must mention two vital questions — the question of marriages between citizens of East and West and that of the separation of families.

The Final Act states quite clearly — I am reading from the Final Act: 'The participating states will

**Lord Bethell**

examine favourably and on the basis of humanitarian considerations requests for exit or entry permits from persons who have decided to marry a citizen from another participating state.'

In spite of this provision, which was signed by the Soviet Union, by other East European states and also by Eastern Germany, we still have such disgraceful incidents as the one that happened a few days ago on the Berlin Wall where a man who wished to marry his fiancée from the East was forced in desperation to walk through the neutral zone in danger of being killed by the East Berlin police on the other side in order to make some demonstration, in order to try to reach the woman he wanted to marry but whom he is not allowed to see and from whom he is being cut off.

Such incidents are totally disgraceful and cannot possibly occur in an atmosphere of relaxation of tensions.

Again, there is a clear provision — I am reading from the Final Act — that 'The participating states will deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family.'

I asked a question of the British Government on Friday last and I was told that of the 49 cases which had been brought to the attention of the British authorities in the light of the Final Act only nine have been resolved in the past year. This is not fulfilment of the spirit of the Final Act. It is being grossly disobeyed and disregarded.

In this respect I address myself directly to the Communist Group. I am glad to see that finally we have a member of the Communist Group in our midst, even though he has not got his earphones on and even though he cannot understand me. For the first few speeches there was no member of the Communist Group in the chamber and so I am afraid that the Communist Group missed the first few speeches. But finally Mr Bordu has put his earphones on and so I am glad that he can understand me.

I appeal to you, Mr Bordu, in the light of the Final Act of the Helsinki Agreement, to your group and particularly to its chairman, Mr Amendola, to use your good influence and your good offices — I am not making a political point here; I am speaking in a humanitarian spirit — through the contacts which you have, through the Communist Party of the Soviet Union, to see that more of these 49 cases of separation of family are considered favourably by the Soviet authorities. Mr Bordu as a prominent member of the French Communist Party and Mr Amendola as a prominent member of the Italian Communist Party have this power. I appeal to them to use it to bring about some improvement in the lot of these wretched people who are suffering real tragedy one after the other.

I wish I could speak for longer, but clearly I cannot. I wish only to make clear that, unless the question of

humanitarian considerations is dealt with more favourably, we shall not regard the Final Act as being fulfilled by the Eastern side.

I hope that the Council is monitoring this aspect carefully. I wish, Mr Brinkhorst, that you would give us details of the monitoring. Are you making a list of violations of the Final Act? Are you making a list of the cases where married people are separated and where marriages are being prevented? These you must bring up next year in Belgrade, and I hope that you will do so. Unless there is some improvement in this respect, we must regard the Final Act as a treaty which is not being fulfilled.

*(Applause)*

**President.** — I call Mr Seefeld.

**Mr Seefeld.** — *(D)* Mr President, ladies and gentlemen, I too regard today's debate as an interim balance sheet. Mr Brinkhorst pointed out on behalf of the Council that there are still nine months to go; surely nobody expects any basically new developments in this time. I cannot imagine that all those who were at Helsinki now intend, as it were, to put in a final spurt shortly before Belgrade. I welcome the unanimity which the Council has displayed here, the way in which it has tried to make clear to us that the efforts aimed at détente should not be abandoned even if the impression were to be created here and there that the expected progress was not being made.

This brings me to a point, Mr President, to which I should like to draw particular attention. I sometimes have the impression that many people regard the results of the Helsinki Conference as the great solution, the big gamble, so to speak. Surely this cannot be so. In my view, Helsinki was one step along the road to maximum cooperation. It was not for nothing — we also are quite aware of this, Mr Brinkhorst — that you pointed out that détente cannot be achieved from one day to the next but is a lengthy process. I must therefore again caution all those who may have believed that the mere fact that an agreement was signed in Helsinki could change from one day to the next the main political concepts of both camps. However, I do believe that Helsinki still has a certain significance. Its importance lies in the way in which states from different parts of the world have said how they intend to cooperate with one another. If they do not abide by this, it is the duty of all of us to denounce as loudly as possible at the first opportunity — i.e. in Belgrade — all those who have not acted in accordance with the Helsinki Agreement in the past few months.

I therefore also welcome the fact that the Council has declared today that the European Community's aim in Belgrade should again be cooperation just as it was in Helsinki, and, as you said, Mr Brinkhorst, just as exemplary. Honourable Members, what we need at this stage of the preparations for the second meeting and

**Seefeld**

for an initial summary of the results is for this Community of the Nine to speak with one voice, to take a firm stand, to attempt to collate everything that was declared in Helsinki and has been achieved in the meantime, but at the same time to denounce what has not been done since that Conference.

Somebody asked what was the ultimate aim of these efforts. For us the ultimate aim is and remains to do everything possible to ensure peace by means of treaties and agreements. This and this alone is the goal. We must put up with the fact that certain things take longer to achieve than some people thought.

Honourable Members, I believe that in Belgrade the efforts of the West must centre on the positive implementation of the Final Act of the Helsinki Agreement. The West and our Community of the Nine must make it their duty to point out where we comply very closely with the Final Act and where others do not, and we must vigorously oppose any attempt to deviate from the implementing provisions of the Final Act. I also say this, Mr President: in view of the obvious attempt by the East to distort the outcome of the Helsinki Conference, we shall have to look thoroughly at what was understood by *détente* in Helsinki.

In my opinion, there are a number of guidelines for our point of view: together we must point out to our partners in this treaty where they have violated the Agreement. In Belgrade we must make it clear to the world how we stand with regard to this Agreement. I feel that the position of the West in general and of the Community of the Nine in particular is a good one. The others will have to show what their position is. They will have to explain to the world why they have not acted in the same way as we have in certain areas. If all this can be made clear in Belgrade, then Mr President, honourable Members, I have no doubts that the West can prevail. We must remind our partners in the Helsinki Agreement of their obligations, and we must do this together and with one voice.

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

**Mr Bordu.** — (F) Mr President, I did not intend to speak in this debate, but a number of very important points which have been raised now leave me no choice but to do so.

This is indeed a serious problem, and do not imagine the Communists are indifferent to all the humanitarian aspects of international relations and to the fate of victims wherever they may be.

We have already taken a stand on the basic issue, especially by rejecting everything which does not promote freedom irrespective of country or continent. I would like everyone here to take the same stand as we do on these issues.

There has just been an important debate in the United States on human rights. During this debate it was stated, both by the American participants and by

several parliamentarians from the Community, that in order to be credible when discussing freedom and humanitarian problems, all cases of violation of liberty should be condemned outright irrespective of where they occurred. We must therefore avoid being one-sided in our condemnations.

I have already had occasion to point out that we, for our part, are ready to begin a comprehensive debate on human rights problems at international level. This challenge has not yet been taken up by anyone. I repeat that we are ready to take part in such a debate.

If there are any Members of this House who can accept the challenge and state that there is no breach of liberty in their countries, let them raise their hands! However, this is apparently not the case.

In reply to the question put, biased though it may be, I say that no one here can cast doubts on our attitude — I can speak here only on behalf of the French Communist Party — towards the actions of any country which fails to respect basic liberties in various fields.

We are not addressing a particular country, but all countries, for humanitarian problems unfortunately exist in too many places all over the world. The problem must therefore be tackled conscientiously and in its entirety.

These, Mr President, are the comments I wished to make.

**President.** — I call Mr Jahn.

**Mr Jahn.** — (D) I too should first of all like to thank Mr Brinkhorst for taking a clear position on this problem. I am very glad, however, to be speaking after Mr Bordu, to whose comments I shall be returning shortly.

An analysis of the policy of *détente* — and *détente* is the issue today — reveals facts which cannot be overlooked. By means of the policy of *détente* the Soviet Union has since 1971 brought about a shift of power to its own advantage throughout the world. Not only Vietnam but also Cambodia and Laos, and thus most of South East Asia, have fallen to the Communists, but not by peaceful and humanitarian means. The atomic stalemate was altered in favour of the Soviet Union by both SALT I and the Vladivostok Agreement between Ford and Brezhnev; this is confirmed today by all the military experts and those in the field. In the Final Act of the CSCE the Soviet Union sees — as shown by all its propaganda and diplomatic activity since then — recognition of the legitimacy of Soviet rule over the peoples of eastern Europe and a part of the German people.

Simultaneously with those treaties there took place developments and incidents which helped the Soviet Union to expand its powerful position in the world or acts of which it was itself the author and which were tolerated by the western world, including direct and indirect intervention in Angola, the expansion of the worldwide Soviet naval presence in the Indian and

**Jahn**

Pacific Oceans as well as in the North Atlantic, and more recently in Somalia and the off-shore island in particular. Last but by no means least — and we politicians who live and work directly on the border with eastern Europe can say this — there is the build-up of overwhelming conventional weapons superiority by the Warsaw Pact in eastern Europe. The recent attempt by the Soviet Union to exert influence in the Middle East, in the Lebanon, should also be noted.

At the last Party Conference Brezhnev could therefore state with regard to the policy of *détente*: 'We do not deny that we see in *détente* a way of creating more favourable conditions for peace during the expansion of Socialism' — i.e. of course in the language of the Communists: Communism — 'in the world'.

Whereas Moscow has to a large extent achieved through the CSCE one of the main political goals of its policy towards the West, namely the consolidation of its empire, the core of the West's conference strategy, namely greater freedom of movement for people, greater freedom of speech and information, must basically be regarded as having foundered. This point has already been dealt with in this House, and I need not therefore make any further comments on it.

However gratifying isolated minor improvements of human communications between East and West may be, there can be no question so far of any noticeable overall improvement as a result of the CSCE. I am particularly grateful to the President of the Council for saying that the West is very disappointed with this.

The Communist states are still persisting in strict control through State channels of contact between persons and the exchange of information and culture. As always, they regard the spontaneous contact of their citizens with the West with suspicion and prevent or hinder it accordingly.

Honourable Members, ladies and gentlemen, the Iron Curtain across Germany has not been more porous since the CSCE but, if anything, has become more impermeable, so that nowhere in the world is there a stricter demarcation line than the one for people who want to go from Germany to Germany. Moreover, not only Germans, but also Poles, Czechs and Soviet Russians are still being shot at.

Western hopes that the CSCE would lead to free movement of persons, information and opinions and to the implementation of human rights have thus not been fulfilled. Of the European countries, basically only Poland, Hungary and Rumania have so far shown any interest in cooperating with the western European states as a result of the CSCE declaration. On the other hand, Moscow is trying to use agreements between Comecon and the EC to keep its satellites firmly under control. In the proposal of 16 February 1976 for an agreement between COMECON and the EC, Moscow is pressing above all else for the concession of the most-favoured-nation clause. For its part, however, the Soviet Union shows no willingness to

recognize the EC or to conform to Western international trading standards by, for example, acceding to the GATT.

All of us, Mr President, are in favour of real, genuine *détente*. We are advocating *détente* in which East and West and especially the Soviet Union manifest genuine willingness to discontinue the arms buildup. We definitely agree with the American trade union leader George Meany, whom you, Mr Bordu, and I have both met, when he says: 'We are in favour of *détente* by which the Soviet Union ceases its ideological war against the West . . . . We welcome *détente* by which the Soviet Union stops arming itself and supporting guerilla and other underground movements'.

We can go along with Solzhenitsyn when he says: 'Not only must those weapons be eliminated with which other peoples can be destroyed or fellow-countrymen oppressed.' He goes on to say that all anti-human propaganda, which is called the 'ideological war' in the Soviet Union, must be suppressed. Real *détente*, honourable Members, demands the termination of the ideological war. This is what we must work towards in Belgrade. For the rest, Mr Bordu, we accept your challenge. This House will debate human rights. Then we shall see how things stand.

*(Applause)*

**President.** — I call Mr Johnston.

**Mr Johnston.** — I wish simply to underline two points which have already been made by Mr Caillavet on behalf of our group. Clearly, there is a broad consensus of agreement around the Chamber, with the exception perhaps of Mr Bordu, on the attitude towards *détente*.

The first point I wish to underline is the unsatisfactory nature of the economic exchanges between East and West. The second is a matter which has already been raised by several speakers—namely, the failure of the Soviet side to honour, in the sense that we hoped it might, the human rights provisions of Helsinki.

At present it is clear that to quite a large extent the West makes good the deficiencies of the Soviet economy. American grain, Community industrial exports and the technology of the West in general pour into the Soviet Union, but there remains a severe imbalance, as Mr Caillavet said. It will be extremely difficult, with the much more advanced requirements of the western consumer to correct and redress this balance, but if *détente* favours the Soviet Union economically, it is of the greatest importance that we should obtain some political advantage from that fact.

It is high time that the Soviet Union recognized officially the European Community as a diplomatic entity which conducts approximately 40 % of the world's trade. General *détente* cannot be based on delusions. Moscow should recognize the reality of our Community, and all Nine governments of the Community

## Johnston

should insist that this recognition is a condition of further development of economic relations. Parliament, which is soon, we hope, to be democratically elected and has been concerned in this session with fundamental human rights, has the duty and, as almost all speakers have emphasized to the Council of Ministers, the need to be vocal about the denial of human rights in the Soviet Union and other Communist countries.

Mr Bordu did not deal with the kind of simple human tragedy instanced by Lord Bethell in the example that he picked from Berlin. To a Liberal, and, I would have thought, to all democrats in this Chamber, it is simply incomprehensible that such things should continue to be done, because they serve no political purpose. Yet one realizes that this, in the end, is but the tip of a very considerable iceberg, in which there is continued harassment of religious and racial minorities, a perversion of psychiatry to persecute political prisoners, and the imprisonment of those who simply seek to claim the rights which are guaranteed by the Soviet constitution itself.

I would say to Mr Bordu that the release of Vladimir Bukovsky and people like him in the Soviet Union would do far more to give substance to the spirit of Helsinki than any number of official statements of peaceful intentions by the Kremlin. It is actions that we require rather than words. The terrible thing is that we see inaction. We have the right to ask the Foreign Ministers of our Community to insist that these matters be placed high on the agenda at Belgrade and to be sure that they will not rest until progress is made.

**President.** — I call Mr Scelba.

**Mr Scelba.** — (I) Mr President, what Mr Bordu had to say does not help to further détente. All he did virtually was to provide the Soviet Union with an alibi for continuing its policy of disregarding basic human rights. However, this is not the point on which I wish to dwell.

I note from the statements made by the President-in-Office of the Council that he feels the collaboration between Member States at the Helsinki Conference was truly exemplary. This we acknowledge. However, I should like to point out to him that the same cannot be said of the line followed subsequent to that Conference.

The Helsinki meeting centred on two fundamental issues, security and economic cooperation. As regards security, we know that nothing has been achieved, for the Soviet Union has increased its arms potential and military strength. A recent statement from the head of NATO reveals that the most sophisticated weapons are pointing precisely towards the countries of Europe.

I wonder whether the policy of economic cooperation pursued by the individual Member States vis-à-vis the Soviet Union and the Eastern-bloc countries is any

more consistent with the outcome of the Helsinki Conference. It is clear that if all the Western countries rush to offer the Soviet Union all the agreements and all the economic resources which it needs in order to bolster its military potential—because, when all is said and done, this is what these agreements boil down to — it will eventually be we ourselves who are failing to promote the principle of détente. There is only one way, a peaceful way, in which we can exert an influence on the Soviet Union — by economic means.

Consequently, I would ask the President-in-Office of the Council to draw the attention of the Member States to the need to consider this important instrument of détente, so that it is borne in mind and brought to bear judiciously during the forthcoming discussion in order to promote détente and peace, which was the underlying objective of the Helsinki Conference.

(Applause)

**President.** — I call Mr Brinkhorst.

**Mr Brinkhorst, President-in-Office of the Council.**

— (NL) Mr President, I am pleased to see that what I said just now on behalf of the Foreign Ministers of the nine Member States has met with widespread agreement in this House. This widespread agreement is possible because the policy of the nine Member States towards the results of Helsinki and the preparations for Belgrade is based on realities and not on wishful thinking, on untiring efforts to achieve further progress in spite of all the obstacles with which we are clearly faced. I am glad about this. It will encourage the Member States to continue along this path and also to pursue their cooperation at European level.

The rest of what I have to say can be brief. A number of specific points have been raised and some marginal comments made on what I said before.

To Mr Klepsch my answer is that I place great emphasis on the three elements he mentioned. The preparations for Belgrade must certainly not be allowed to affect the continuing process of integration within the Community. In concrete terms, that means that the process of integration must not be jeopardized as a result of our cooperation in a broader context. I would also stress the need for equal concessions when we meet again in Belgrade. I also agree that on one point of essential importance for Western society in Europe, namely constitutional and human rights, there can be no compromises and that this is the steadfast position of the nine Member States of the Community.

A number of speakers asked about relations between Comecon and the EEC. This morning at Question Time I had occasion to say that cooperation in this field must be developed on a sound basis, and that the starting point for this must be the acceptance of the Community as such and also the desire to develop a wider-ranging process of détente. This will be made clear in our answer to Comecon.

**Brinkhorst**

Lord Bethell asked for a list of cases where there has been a violation of human rights. I can assure him that the Council will examine this whole matter with great care. It is absolutely essential to keep an eye on the implementation of the agreement and to a list of any specific cases of infringement.

What Mr Seefeld said on behalf of the Socialist Group does not seem to me to require much further comment, but I would underline what he said, namely that all those who thought that Helsinki would herald the dawning of a new era were perhaps labouring under a misconception right from the start. Helsinki must instead be seen as one stage in a much lengthier process. In this sense, what was agreed in Helsinki is of importance because it provides a definite touchstone for judging the behaviour of both Western and Eastern European countries. This is also why I wish to take up what Mr Bordu said. He said his Group was prepared to talk about human rights in the whole world. But at the moment we are talking about human rights in Europe. It is progress on this point that we are going to examine together in Belgrade. In this respect I at least am quite prepared to raise my hand in reply to Mr Bordu's question.

Mr President, although almost everyone will join me in admitting that the implementation of the Helsinki agreement has been a disappointment, at the same time I note that we all agree on the need to continue the process of gradual détente. On this point we find common ground in the realization that there is in fact no alternative to a policy of détente. The alternative is confrontation, and we do not want that. We shall thus have to go to Belgrade with no illusions, with no exaggerated expectations, but with the firm resolve on our part to do all that can be done to achieve a balanced result from the Final Act of Helsinki.

**President.** — The debate is closed.

*8. Oral question with debate:*

*Customs procedures and legislation*

**President.** — The next item is the oral question with debate, put by Mr Schwörer on behalf of the Committee on Economic and Monetary Affairs to the Council and the Commission, on the simplification of customs procedures, customs legislation and institutional methods for dealing with customs matters (Doc. 317/76):

In view of the political, economic and psychological importance of all measures designed to bring about improvements in the operation of the customs union and the fact that with effect from 1 July 1977 the bulk of goods traffic between the nine Member States of the Community and the seven EFTA States is to be duty free, could the Council and the Commission indicate what stage has been reached in the implementation of the work programme approved by the Council?

This question refers in particular to the implementation of the simplification programme, improvements in insti-

tutional arrangements and adherence to the timetable contained in the work programme.

I call Mr Schwörer.

**Mr Schwörer.** — (D) Mr President, ladies and gentlemen, as you know, with effect from 1 July 1977 the bulk of goods traffic between the nine Member States of the Community and the seven EFTA States is to be duty-free. In view of the constant complaints from the business circles affected about laborious clearance procedures and the need to observe complicated rules of origin, and because the implementation of the simplification programme approved by the Council — on which this House gave a favourable opinion in July 1975 on the basis of a report by Mr Mitterdorfer — is making very slow progress, the Committee on Economic and Monetary Affairs hopes that this question will play a part in bringing about customs union.

We in the European Parliament should be particularly aware that, twenty years after the signing of the EEC Treaty, steps to simplify the laborious and complicated customs formalities which have swollen to intolerable proportions are of the utmost psychological importance for further integration. In addition to this, the prescribed formalities lead to high costs for those involved in trade. On this point the Commission of the EC stated as early as Spring 1975:

Furthermore, this affects the final consumer price to a not inconsiderable extent. Finally, this complexity hinders access to international trade and handicaps small and medium-sized businesses in particular.

The question is: what can be done about customs regulations? The Council in particular, should state its views on this point in today's debate.

A draft regulation on inward and outward processing traffic has been with the Council for years; a draft regulation on clearance for free trade between the Community has also been submitted to the Council. The third problem is cooperation between customs administrations. The Commission is reportedly working on a draft on this subject at the present time.

The fourth point is the situation with regard to the powers of the Commission in technical matters. In my view it is absurd that every single technical regulation has to be approved by the Council. I think that the Commission should be given considerably more freedom to decide for itself. In this context, we have the example of the procedures involving administrative committees, which have already proved successful and which could be used as a model for the application of these technical regulations to customs legislation. In any event, I feel that the eleven proposals which the Commission has worked out in this field, and which have all been approved by Parliament, should be finally put into effect.

Ladies and gentlemen, today, in October 1976, we must ask the Council and the Commission as a matter



**Schwörer**

of urgency whether they are willing and able to implement the agreed simplification programme by 1 July 1977. That would — and I would remind you of the debate in July 1975 — at least be a start, a first step towards the standardization of customs legislation in the Community.

The credibility of our efforts to achieve a continuous integration of the national economies in the Common Market will depend not least on the way in which we, as the representatives of the citizens of Europe in the executive institutions of the Community, press for a flexible and above all easily manageable, uniform customs system to be established within the prescribed time.

When we approve programmes, we expect in the interests of our electorates that the specific measures provided for in these programmes will in fact be implemented in due course. I can hardly wait for the Council's reply on this point in particular.

*(Applause)*

**President.** — I call Mr Brinkhorst.

**Mr Brinkhorst, *President-in-Office of the Council.*** — *(NL)* Mr President, I very much welcome this Oral Question with debate, because the honourable Member touches here upon an important aspect of our Community.

The programme for the simplification of customs procedures and legislation referred to by the honourable Member and the Committee on Economic and Monetary Affairs is a work programme submitted to the Council by the Commission in March 1975. The Commission will thus be able to provide you with all the relevant information on the implementation of this programme, which concerns primarily the Member States and the Commission.

I should, however, like to take this opportunity of pointing out that the efforts in hand to achieve simplification in customs matters are of great importance. All measures, however limited their scope may appear, have a positive effect. They are aimed first of all at eliminating time-consuming formalities which, moreover, also lead to an increase in the cost price of the goods. Secondly, these measures are of benefit to the customs authorities, who no longer have to carry out superfluous or unnecessary tasks. Finally, they are of no little importance for the free movement of goods, which — and this is after all one of the fundamental principles of the Community — must not be impeded by pointless formalities. All this takes on added significance in view of the fact that the last remaining customs duties on the movement of goods between certain Member States of the Community are to be abolished on 1 July 1977.

In connection with these efforts at simplification there are, however, two points to be made. In the first place this is a continuing, long-term operation; one cannot thus expect every superfluous procedure imme-

diately to be done away with once and for all. Secondly, simplification must not be sought to the detriment of the strict application of customs laws and regulations, thereby creating opportunities for fraud — a subject which has frequently concerned this House.

The present simplification programme concerns primarily the national customs authorities, in collaboration with the Commission. I should, however, like to take the opportunity of drawing attention to the Council's part in this. Take, for example, the measures taken to codify Community regulations, the simplifications in the nomenclature of certain agricultural products and the action on harmonizing rules of origin in the various preferential schemes.

With regard to the institutional improvements which the Commission also mentions in its programme, the Council would like to draw attention to one practical improvement which has made the work of the customs authorities much easier. Customs are now normally to have six weeks grace after the publication of Community tariff decisions to allow them to ensure that these are implemented after proper preparation. This rule, introduced following a Council Resolution of June 1974, has resulted in a marked improvement in the situation, although it is to be deplored that there have been some cases where it has not been possible to comply with the rule, in particular in the agricultural sector (Article 43).

The Commission rounded off its work programme by taking stock of the situation with regard to the harmonization of customs legislation. This work is progressing steadily. As the European Parliament is aware, many regulations have already been adopted in this sphere. The Council is at present examining various proposals, some of which deal with extremely technical matters of which I shall spare you the details. I should, however, like to draw attention to a number of recent important regulations: these concern outward processing arrangements, regulations for so-called 'returned' goods, and the duty-free import of material of an educational, scientific or cultural nature.

In conclusion, there is no question of the simplification and harmonization of customs procedures and legislation already being complete. This is a long-term process, and everything that has been achieved so far, especially recently, cannot but encourage us to persevere with an undertaking which is vital to the full attainment of the common market.

*(Applause)*

**President.** — I call Mr Gundelach.

**Mr Gundelach, *Member of the Commission.*** — Like the President of the Council, I thank Mr Schwörer and the Committee on Economic and Monetary Affairs for having brought the attention of Parliament once again to this item.

## Gundelach

As I have stated before this House on numerous occasions, the customs union is one of the cornerstones of the Community as we know it. The customs union, from a classical point of view, will be achieved by the end of the transitional period: that is, the middle of next year. However, as I have stated before, the creation of a customs union is not just removing the actual tariffs, it is not for the sake of harmonization, but to bring into accord for the sake of simplification the laws and regulations of the Member States in order to have one Community book of rules and to make a concerted attack on the ever-increasing amount of administrative work which trading firms or private persons have to cope with when they carry out even fairly simple transactions like sending a parcel. I do not believe that we can boast of having a customs union in the true sense of the word before we have done away with a considerable amount of the administrative practices which for a number of reasons have crept up to take the place of the traditional tariff over the last decade.

We must first make at least a significant step towards the harmonization of tariff rules and regulations in the Member States. I repeat, and I shall continue to repeat, not harmonization for the sake of it but harmonization for the sake of removing unnecessary obstacles to trade and unnecessary obstacles to the free movement of goods and persons.

Having stated that, I will not apologize for going into some detail about what we have proposed to do and the fate of our proposals. However boring and technical some items about which I will now talk may sound, behind each one there is a pool of human sweat which is being wasted for bureaucratic reasons.

There are quite a few unnecessary costs placed on our inflation-ridden society. Naturally, as the guardian of the Treaty, I agree entirely with the President-in-Office of the Council that we must ensure an appropriate administration of our customs rules. We must not accept frauds or misuse of any kind. However, I can assure you that my fears are not so much that we shall not control enough — leaving aside perhaps the question of fraud, where we have to strive for perfection — but in other areas the reasons are more that we shall strive for too much perfection.

Having these general considerations in mind, the Commission has within its capabilities given priority to a simplification programme. We are working on the basis of a programme for an approximation of customs legislation the roots of which go back to 1971 and to a simplification programme which in its latest version was submitted to the Council in 1975.

However, even before the appearance of the simplification programme the general problem of cumbersome paperwork in customs procedures and possible remedies was discussed in a 1973 communication from the

Commission to the Council. Simplification measures undertaken at that time included the replacement of 16 original documents by the EUR 1 in January 1974. So the Chairman of the Council is quite right in remarking that some progress has been made.

I would at this point also like, since I referred, like Mr Schwörer, to the crucial date of 1 July 1977, to use this occasion to announce that we have decided before that date to compile and issue a study on the state of affairs in our customs union pointing out the results achieved but also pointing out where we are still lagging seriously behind our objectives.

It must be realized that the recession which we have been living through and which we are still in the shadows of, and the consequent depression of international trade during the past few years, have had unfortunate effects on the fulfilment of some of the goals to which I referred. Member States and trading interests react to the recession by taking a cautious attitude to initiatives involving changes in legislation, duties, and so on. This is a phenomenon which we also observed in the multilateral trade negotiations under the auspices of GATT.

Here I must say quite candidly that, instead of accepting in such circumstances in a number of cases an unsatisfactory compromise influenced by present economic difficulties, we have found it more advisable and more profitable in the long run not to press for rapid decisions. I should like to stress that this policy implies neither a step down from the objectives formulated earlier nor even the giving up of a sense of urgency.

An example of the kind of problem I am now referring to may be found in the work on a simplification of the rules of origin. The object is to introduce a value-added criterion which is as simple as possible. It must, however, be recognized that the persistent economic slack is a severe handicap to progress in this field. Nevertheless, I believe that we must continually strive to bring about a further simplification of the rules of origin, which are in many cases unnecessarily cumbersome and complicated for trading people.

Despite what I have said, I think that we can say that we are broadly on target so far in the implementation of our programme. I should like to quote a few facts to this effect. Since Mr Mitterdorfer's report last year, the Council has adopted some important proposals — a directive on outward processing — that is, processing in third countries and subsequent reimportation — a directive allowing Member States to recover on each other's behalf unpaid duties or levies, and a regulation on duty-free admission of educational, cultural and scientific goods in addition to which comes the decision the President-in-Office of the Council has referred to about sufficient time-limits for the implementation of changes in tariffs.

## Gundelach

Of the measures more directly related to simplification, I should like to mention the following. On tariff simplification, some 30 sub-headings have been abolished on agricultural products. This may sound a modest start, but it was a hard one to obtain. Furthermore, the amount of simplification in this area which can be achieved, including the industrial area, will to a certain extent depend upon what happens in the multilateral trade negotiations in the GATT now and in the first part of 1977.

On origin rules concerning trade with EFTA countries, the joint committees have just adopted a set of substantial modifications to the lists A and B which will enter into force on 1 December this year.

On transit, a proposal for a relaxation of the guaranteed systems has been transmitted to the Council. Certain delegations have let it be known that they agree with the proposal provided there are recovery facilities also on the side of indirect taxes. The Commission is therefore transmitting to the Council a proposal to extend the rules of this directive to the tax field. Given the importance of this aspect, I should be glad if the House could strongly underline the need for quick adoption by the Council of this complementary act.

Finally, substantial progress will soon be achieved in the standardization of customs documents. The Commission will propose to the Council before the end of this year a regulation concerning the use of uniform export documents in intra-Community trade based on the guidelines set down under the auspices of the Economic Commission to Europe of the United-Nations based in Geneva. The advantage here is that it will benefit international trade as a whole. At the same time, the forms used in the framework of the transit procedure will be adapted to this new system.

Among the measures more directly felt by the ordinary citizen, I should like to mention that since 1974 small gift parcels of a non-commercial nature with a value of up to 40 u.a. have not been subject to taxes and customs duty within the Community. The Commission has proposed that a similar facility be extended to parcels from third countries. It will be evident from this that the Council is giving considerable backing to our efforts. However, it is equally true that at present about a dozen agreed proposals from the Commission which have been made with the approval of Parliament still await consideration by the Council.

I do not want to recapitulate all the 12 proposals, but I think that I should draw attention to a few to give an idea of what, in our view, is lacking. The time has come to envisage a general review of our policy with regard to duty exemption for private persons. The first thing to do seems to be for the Council to take up the proposal on such exemptions for small consignments

of a non-commercial nature which was sent to it two years ago.

Furthermore, I have already mentioned the need for a substantial relaxation of the transit guarantee system. Perhaps I may add in this context a general consideration. It seems to me that the idea behind what we are doing merits attention being given to a wider concept. Barriers can often be smoothed if the possibilities are enlarged for national administrations to communicate more regularly and more directly with each other.

This brings me to the proposal for a regulation on mutual assistance between competent authorities of the Member States and between the latter and the Commission in customs and agricultural matters. The Commission recently sent a letter to the Council and the Ministers of Foreign Affairs stressing that an examination of this proposal should not be further delayed.

Two other proposals seem to be of equally great importance; namely, rules for the release of goods for home use and for the repayment of duties. These are examples of matters on which we wish to see speedier action by the Council: If this could be forthcoming, by the middle of July 1977, while we might not have arrived at our goal, we might at least have made significant progress to demonstrate that we are actually creating a customs union in the true sense of that word.

I should like to end on this notion. Experience has demonstrated that we shall not get a sufficient number of decisions on economically important and highly technical matters unless in the decision-making process of the Community there is a much more generous attitude towards the delegation of powers.

*Applause)*

**President.** I call Mr Mitterdorfer to speak on behalf of the Christian-Democratic Group.

**Mr Mitterdorfer.** — *(D)* Mr President, ladies and gentlemen, I am very glad that we have the opportunity of discussing this important subject today, and I should like to thank Mr Gundelach for the statement we have just been given. I should, however, like to take the opportunity to reiterate clearly what is in fact at stake and how important this matter is for our Community.

At this point, I would first of all remind you on behalf of the Christian-Democratic Group that the European Parliament and all its political groups have consistently pressed for the simplification of customs procedures, customs legislation and the institutional methods for investigating customs matters. When considering the 'simplification of customs procedures', we must realize that essential aspects of economic liberty, namely the free movement of persons and goods, are involved. As we are all aware, border checks

**Mitterdorfer**

have not disappeared with the elimination of customs frontiers. Restrictions on the free movement of goods will remain until free movement of persons, services, capital and payments has been established as part of a reciprocal opening-up of national markets. Even in good times, the existence of the customs union and freedom of trade in the Common Market were jeopardized. The reason for this was, in our opinion, that the Community did not pursue the approximation of legal and administrative provisions vigorously enough. Today we see a growing tendency in the Member States to resort, when economic difficulties arise, to instruments of customs policy from an age we thought had long passed. The Christian-Democratic Group therefore welcomes the move by the Committee on Economic and Monetary Affairs at this time of economic difficulties in the Community.

At this period of short-term economic difficulties when, as I have just said, there is a temptation to revert to the insulation of national markets — more or less on the principle of 'every man for himself' — it is the duty of the European Parliament to uphold with every possible vigour the spirit and provisions of the Treaties of Rome. In this connection, I would remind you of our debate in July last year, in which this House called upon the Council to adopt the programme of simplification of customs procedures as soon as possible, since the measures it contains are of great importance for the further development of the internal market. They comply with the letter and spirit of the Treaties of Rome and are suitable instruments for adapting customs procedures to the requirements of the increasingly integrated national economies in our Community.

We call upon the Commission and the Council to work increasingly on improving Community customs legislation, so that, despite all the difficulties, progress may be made towards the economic community which the citizens of the Community expect. We are fully aware that the struggle to simplify and improve the movement of persons and goods will become increasingly tougher, when the aim — as is our intention — is to eliminate, if possible, all checks and formalities within the Community.

It is in this spirit that we urgently appeal to the Member States to give a favourable reception to the simplification measures proposed by the Commission and approved by the Council in the field of customs legislation, and to do everything in their power to further the harmonization work being done by the European institutions. We make this appeal in the firm belief that the customs formalities for Community imports and exports must be harmonized and simplified. If the customs regulations at all external borders of the Community are not the same, the practice of customs inspection within the Community will be continued, and this may lead to shifts of activity contrary to the aims of the EEC Treaty.

In my capacity as rapporteur for the Committee on Economic and Monetary Affairs, I once had occasion to point out the considerable costs incurred by all sectors of the economy. Mr Gundelach has just touched upon this same question — outdated customs procedures are a luxury which the Community can simply no longer afford in a time of economic difficulties, when the aim is to maintain the competitiveness of its industries and, above all, to keep the standard of living and the level of social justice for its citizens as high as possible.

I should like therefore to advocate most strongly that this important subject be discussed and debated over and over again in this House, since I genuinely regard it as an important contribution towards the creation of a united Europe.

*(Applause)*

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

**Mr Liogier.** — *(F)* Mr President, ladies and gentlemen, though the customs union is the basis of the Common Market and remains a cornerstone of European integration, it cannot seriously be maintained — as the Council has just done — that it has been fully achieved and that there is thus now completely free movement of goods, people and capital.

Moreover, the further we progress towards the customs union, the more complex the problems become. For this reason alone, we welcomed the simplification programme submitted by the Commission in 1975 and since approved by the Council, although at the time this programme did appear to us to be rather a mixed bag of measures and very varied interests.

There is no doubt that the programme for approximating the customs legislation was considerably complicated by the accession of the three new Member States. The enlargement of the customs union and its phased implementation have to a certain extent put it back, as far as formalities are concerned, to where it stood at the beginning of the 1960's.

It can at least be said that there exists today basic Community customs legislation providing for rules for the calculation of dutiable value — which are an essential basis for the assessment of 'ad valorem duties' — for the common customs tariff, for rules of origin — indispensable when applying preferential treatment — and for general rules governing bonded warehouses and temporary importation for processing.

The customs authorities in the Member States are obliged to abide by these rules, but there are still many points on which harmonization has yet to be achieved. Examples are customs clearance procedures and the temporary importation procedure, to name but two.

**Liogier**

Furthermore, it should be noted that the way in which the officials apply the rules also depends on their attitude. For traditional reasons, the attitude of customs officials varies from one Community country to another. However, are we not asking too much of the customs authorities who have, in fact, contributed far more to European integration than any others? In any case, although of fundamental importance to producers, the attention of users of customs services does not centre on harmonization. They are far more concerned — and, we can add, rightly so — about economic integration which, it must be admitted, has made little headway as yet.

Things have also been greatly complicated by the monetary situation, the application of agricultural compensatory amounts which were debated at length this morning, and the introduction of the system of generalized tariff preferences.

Under the circumstances, the feeling is that, although further progress may be made by technical simplification measures, genuine progress can only be achieved in future by means of a full-scale approximation of taxation systems and a common monetary policy.

In our view, it is somewhat hypocritical to call, as some do, for comprehensive measures to simplify customs procedures, and then to oppose practical progress in the approximation of taxation systems and in monetary management.

In our view, the whole problem is primarily political. Those who call loudly for customs procedures to be simplified undeniably have at the back of their minds an idea which we feel to be extremely dangerous — the wish to make the common market a more free-trade area involving no real progress towards economic, fiscal and monetary integration. It would be disastrous, in our opinion, if, under the cloak of praiseworthy intentions, they were eventually to succeed in watering down the common market.

*(Applause)*

**President.** — I call Mr Schwörer.

**Mr Schwörer.** — *(D)* I should like to thank the representatives of the Council and the Commission for the information they have given us.

Although there has been some progress in simplifying and regulating matters which are still dealt with differently from one country to another, it has been very, very slight and is quite simply too slow for us.

I should like to remind the Council, in particular, of the proposal to let the Commission decide on more technical regulations, i.e. to delegate powers to those who implement these regulations and do not necessarily always regard them as a political matter. This is the most likely way in which the process could be speeded up.

We must also realize that when these barriers of customs duty and customs procedures are removed, the internal market will still be restricted by a large number of other barriers — just look at the tax barriers or statistics which still cause delays at borders. It is sometimes frankly depressing to see how these technical barriers to trade, which vary from country to country, restrict goods traffic. Or look at the regulations in the veterinary and public health fields, which also prevent the creation of an internal market.

I believe therefore, above all, that more pressure should be brought to bear on this purely technical aspect of customs procedures and formalities, and I am very grateful to Mr Gundelach for saying that he intends to take stock of what has been achieved so far. Above all, we should increase the pressure on the Council to finally adopt what has already been approved by the Commission and the Parliament, and to which therefore only the Council has still to give its assent.

I should like to move that the Committee on Economic and Monetary Affairs study the results of today's debate in the near future and draw up a report to the House. Together with Mr Gundelach's stock-taking, this could perhaps lead to some progress in this matter, particularly in view of 1 July 1977, a date which will be with us quicker than many in this House think.

*(Applause)*

**President.** — Mr Schwörer, I cannot accept your request. You must make a request in the Committee on Economic and Monetary Affairs that a report should be drawn up on the subject. This must then be authorized by the Bureau. I would ask you to follow this procedure.

The debate is closed.

*9. Oral Questions with debate: International Women's Year — Women in the Europe of the Nine*

**President.** — The next item is the joint debate on the oral questions with debate, put by Mrs Kruchow on behalf of the Liberal and Allies Group to the Council and the Commission; on the Mexico World Conference to mark International Women's Year (Doc. 319/76) and to the Commission on women in the Europe of the Nine (Doc. 320/76).

The question to the Council and the Commission is worded as follows:

The Mexico World Conference to mark International Women's Year 1975 stressed that women in developing countries are underprivileged in many ways. For example, Article 9 of the World Plan of Action states:

## President

In many countries, women make up a large proportion of the agricultural labour force. In view of this, and because of their important role in agricultural production and in the preparation, processing and marketing of foodstuffs, they represent an important factor in the economy. Considering the fact that agricultural worker's lack technical equipment, education and training, it is evident that the position of women within this sector is, in many countries, doubly disadvantaged.

Article 93 states :

Governments must seek new means of encouraging self-help activities, e.g. training programmes in farm management and rural development which must be open to both sexes on equal terms.

And Article 96 :

Special efforts must be made to increase participation by female farm workers in the formulation of national plans for the integrated development of rural areas.

Chapters 4 to 7 of Protocol 2 to the Lomé Convention provide for certain new measures including aid to the least developed States and 'microprojects' to be carried out normally in rural areas. These projects include dams, wells and water supply systems, silos and warehouses for storing provisions and crops, rural service tracks, primary schools, social assistance centres etc. Applications relating to such projects can only be considered if they are submitted by the responsible local authorities. These 'microprojects' seem to be especially suited for the involvement of women on equal terms with men at every stage.

The members of the institutions of the Lomé Convention are drawn in equal numbers from the EEC and ACP countries. The Community's representatives should be in a position to support the resolutions of the Mexico conference, in which a large number of representatives from the developing countries also took part.

1. Will the Council/Commission therefore use the forum of the Lomé Convention to encourage the developing countries to grant women greater opportunities than hitherto to contribute on equal terms with men to the process of national development?
2. If so, how does the Council/Commission intend to act?

The question to the Commission is worded as follows :

1. Can the Commission say what lessons it has drawn from the study by Evelyne Sullerot on 'Employment of women and the problems connected with it in the Member States of the European Community'?
2. Does the Commission plan any follow-up to the conference it organized in March 1976 on the theme 'Women in the European Community'?
3. Does not the Commission feel that, in view of the forthcoming elections to the European Parliament by direct universal suffrage, something must be done to create more interest among women? If so, how does it intend to go about this?

I call Mrs Kruchow.

**Mrs Kruchow.** — (DK) Mr President, the European Community's ideas in many spheres are ahead of their

time, with regard to the facts not only in some of the Member countries but especially in the world as a whole.

The Lomé Convention has won considerable respect throughout the world because it is thought to be economically and humanly capable of providing developing countries with help towards self-help under better circumstances than before.

The Mexico World Conference to mark International Women's Year 1975 stressed that women in developing countries are often underprivileged. Thus, they account for most of the workforce in the agricultural sector, where working methods are usually very primitive. Among the measures provided for by the Lomé Convention was an innovation, the 'microproject', to be carried out normally in poor rural areas. These projects include dams, wells and water supply systems, silos, warehouses, community centres, etc.

The members of the institutions of the Lomé Convention are drawn in equal numbers from the EEC and ACP countries and it should be possible to publicize the opportunities offered by these projects in order to arouse interest in them in the developing countries, which were practically all represented at the Mexico Conference and agreed with the views expressed with regard to the unsatisfactory position of women agricultural workers in poor areas. These areas need help, therefore, if we are to achieve an equal and improved status for the women there.

Will the Council and the Commission encourage the developing countries to grant women greater opportunities than hitherto to contribute on equal terms with men to the process of national development? And, if so, how do the Commission and Council intend to act?

I would now like to discuss some questions concerning the position of women in the Member States.

In 1972 the sociologist Evelyne Sullerot's detailed study of the employment of women and related problems in the Member States of the European Community was published. It describes the situation in the sixties and its systematic presentation makes it a valuable source of information for anyone examining women's problems in a modern western industrial society. What use has the Commission made of that report? And is it intended to follow it up, e.g. with further studies, so that conditions in the three new Member States can also be examined and compared with the position of women in the other six countries, as described in the Sullerot Report?

The Commission also held a symposium in March 1976 on the topic: Women in the European Community. I know we have already discussed that in this

**Kruchow**

assembly, and at present I am merely curious to know whether it is proposed to follow up the work of the symposium or to consider its views.

Finally, a few words about the large majority in the European Parliament who welcome the direct elections in 1978. Considering the economic and social conditions described in the Sullerot Report and elsewhere, and the disproportionately small representation which women have, not just in this Parliament — where they are eleven out of 198, or 5.6 % — but also in the national parliaments, will the Commission make an effort to inform women in the Member States of the opportunities these coming elections present for improving their conditions, so that they can be confident that they can vote for candidates who understand women's problems and who undertake to rectify them?

Of course, there will not be a uniform election procedure in the different Member States for the first direct elections to Parliament. It is therefore particularly important that the citizens of the Member States should understand how they can influence the election of candidates who agree with the principle of equal status for women in all spheres of society: social, family policy, education and employment. I should like to emphasize that I am not specifying the sex of the candidates, because I believe and know that there are in fact many men who agree with the view that women's conditions must be improved.

Nor do I wish to see women alone elected to this Parliament, but I should like the candidates — including the men among them — to have the opportunity or to be asked to state their views on the women's case, particularly on the opinions expressed by Evelyne Sullerot, since I consider her report to be a brilliant sociological study.

*(Applause)*

**President.** — I call Mr Brinkhorst.

**Mr Brinkhorst, President-in-Office of the Council.** — *(NL)* Mr President, I am very glad that the question of female emancipation has been put on the agenda of such a male-dominated Parliament and that Mrs Kruchow in her introduction put the subject in such a broad context. I should like to stress that the Council too regards the Mexico World Conference to mark International Women's Year as an important starting point. It is not just a matter of 1975 having been declared International Women's Year. It is a question of a long-term process — I think Mrs Kruchow made this extremely clear — whose length we cannot yet foresee. Particularly — but not exclusively — in the developing countries, the process of women's emancipation has scarcely got off the ground yet. In view of this I am very glad that the subject has come up in this oral question with debate.

It is of prime importance that the Member States of the European Community, as well, should pay more

attention to the process of women's emancipation in developing countries.

The Community by itself does not have the necessary instruments to really get the process of women's emancipation under way — we can only make a modest contribution. I draw your attention particularly to the Lomé Convention, which Mrs Kruchow also mentioned in her introduction. Among the aims of the Lomé Convention are the correction of structural imbalances, the greater well-being of the people and the improvement of the economic situation. These aims must in the long term benefit everyone, both men and women. It goes without saying that women will benefit all the more, insofar as suitable measures enable them, with due respect for the differences, to catch up as far as possible where they may have fallen behind in social and economic terms.

Here, from the Community point of view, we are faced with a dilemma. Our whole contribution to progress in the developing countries must be based primarily on the wishes of the developing countries themselves, especially with regard to the development of their social and economic structures. The industrialized countries must not impose a particular structure on the developing countries. This means that, in the first instance, we must respect the aims and priorities of the developing countries themselves on this point. They will have to decide themselves what sort of projects and programmes best serve the interests of the whole people, without discrimination on grounds of sex.

The microprojects that Mrs Kruchow spoke of, and which basically concern rural areas, represent a new departure in this sphere. Eighty to ninety per cent of the population in the developing countries still live on the land, where women play an essential part in the economy.

In the field of training, too, government projects for improving the living and working conditions of women can be considered for Community aid, but here again the developing countries themselves must decide on the priorities for training and education programmes.

To sum up, I should like to say this. The Community by itself cannot further women's emancipation, because we have only limited powers, and to a considerable extent we must bear in mind the demands and wishes of the developing countries themselves.

*(Applause)*

**President.** — I call Mr Hillery.

**Mr Hillery, Vice-President of the Commission.** — Particularly during a period of economic difficulty, our Community could all too easily fall prey to two temptations, which I think today's debate will help us

## Hillery

to resist. First, there is the temptation to look inwards and to forget that we are part of a global situation, which we neglect at our peril. Secondly, there is a temptation to put to one side pressing issues of social justice which might be more easily conceded at a time of economic growth.

One of the many virtues of the UN World Conference on Women's Year, held in Mexico in July 1965, was that for those of us who were privileged to participate there were many vivid and unforgettable demonstrations of the urgency of social justice for women in all its global dimensions.

The two questions tabled by Mrs Kruchow are a useful reminder of the obligation to sustain our concern for the particular problems of the developing countries and to ensure that the Community's commitment to the elimination of inequality in the Member States continues with unshaken purpose, no matter how unpopular or untimely it may appear to many.

As has been made clear, in the case of sovereign States which have ties with the Community through special agreements, the Commission has always seen the role of these agreements as helping the developing countries to help themselves. In the light of the Lomé Convention's possible contribution to the women of the developing countries, this means in practice that it is up to those states to choose for themselves their priorities and the place in the order of priorities which the advancement of women should have.

When the development programmes of the countries in question include specific projects on the advancement of women, the Commission is glad to bring its full support to ensure their implementation. An immediate example of this would be the project for a centre for teaching handicraft to women set up in Ouagadougou, Upper Volta, with European Development Fund financing. Certain programmes of integrated rural development carried out in Niger and Benin also include an element of female involvement in that women teachers give practical lessons on hygiene, child care, production methods, and so on. The implementation of microprojects by which a response can be made to urgent priority needs of local cooperatives — in particular, rural ones — is a new resource which the Lomé Convention offers to cooperatives to give women 'the possibility to contribute to the development of their countries at the same level as men'. Again, I say that it is up to the cooperatives to take the first initiative.

Since 1962 the Commission has administered a programme of scholarships for studies and training courses, first concentrating on training in Europe and then gradually, under the régime of Yaounde I and II, on training in Africa. The Commission has never made any distinction in practice between training requests from men and women. The proportion of female beneficiaries may be roughly estimated at

15%. This percentage is due to the proportion adopted by the ACP governments when presenting applications for which they are entirely responsible. It should also be said that a large number of scholarships, apart from those professions traditionally considered as suitable for women, are granted to women in the health and rural modernization sectors.

As regards the moral support which the joint institutions of the Lomé Convention can bring to the decisions of the Conference in Mexico, the Commission is of the opinion that the members of these institutions, including the Members of the European Parliament in the Consultative Assembly of the ACP-EEC, can help to promote possible initiatives in this respect. It is in this spirit, particularly that I welcome Mrs Kruchow's first question and assure Parliament that the Commission will do whatever it can to assist in this area.

The Commission would like to recall that among the resources which can be used to carry out the wishes expressed by Mrs Kruchow there now exists this year, for the first time in the European Community's budget, Item 938 of an amount of 2.5 million units of account, which is to be used to co-finance small-scale projects undertaken by non-governmental organizations from the Nine Member States in all developing countries, whether or not associated with the Community. With this in view, the European non-governmental organizations recently submitted among the microprojects for co-financing by the Community projects in ten developing countries which are particularly relevant here. Varying in type and importance, they encompass in a general sense improvements in the living standards of women — better educational facilities, reduction of manual labour and provision of family planning. This form of cooperation with non-governmental organizations is still at an early stage and can undoubtedly be extended specifically to promote both the advancement and the equality of women in the developing countries.

I turn now to the second question tabled by Mrs Kruchow, which asks the Commission to report on certain initiatives being taken to promote an equal opportunity of employment and of participation both in the Community of today and in that more democratically-based Community to which we look forward in the years ahead.

Where Commission initiatives are concerned, I should like to stress to Parliament — and, indeed, to the social partners, lest there be any misunderstanding in the matter — that priority must be given to Community legislation in support of women at work and women seeking employment. This priority has the weight of the Treaties behind it and puts an emphasis on action rather than words. I believe that the directives on equal pay and equal opportunity which we have adopted in the course of the Community's social policy transformation of the last three years have done



## Hillary

more to stimulate among women — all women — a real interest in the potential of the European ideal than almost any other political initiative.

To say this is not to underestimate the value of the follow-up to the March 1976 Conference on Women in the European Community or the importance of the forthcoming elections to the European Parliament by direct universal suffrage. My point is rather — and I know that my friend and colleague Vice-President Scarascia Mugnozza shares this view — to underline the effect that one piece of concrete legislation can have. By creating a legal right this legislation forces a change in attitudes towards women and boosts women's confidence in their own powers in a way that nothing else could.

Before Mrs Sullerot's study was published by the Commission in 1970, the Community's activities concerning women at work were undertaken primarily within the framework of the provisions of Article 119 of the Treaty of Rome on equal pay. By asking an expert to carry out a study on employment, the Commission demonstrated its resolve to broaden the scope of its action in favour of working women. With the enlargement of the Community, the Sullerot study model was, of course, extended to cover the three new Member States. These studies, which have been widely disseminated among interested circles, were therefore the real starting-point for the action taken by the Commission for the benefit of working women, and provided important material for the substance of the Commission's memorandum to the Council on the equality of treatment between men and women in relation to employment. They were also essential to the preparation of the directive on equality of treatment as regards access to employment, as regards access to vocational training and as regards working conditions. Where continuing action in relation to women's employment is concerned, the Commission is working on a measure to promote equality of treatment in social security. A recommendation on vocational training for young and adult women is also in preparation.

I believe, however, that as regards the position of women in the Community the most important next step for us must be to ensure the enforcement and pursuit of what is already either legislation or guidelines.

Within the Commission in the Directorate-General for Social Affairs, a special service for women will, as I advised Parliament last June, be responsible for the political and operational implementation of equal opportunities for women in relation to employment, the drafting, negotiation and implementation of Community legislation under Article 119, the use of the European Social Fund, the provision of information on these topics, and the exchange of experience and information between relevant bodies in the

Member States, particularly representatives of government, the social partners and research institutes. This will be quite distinct from the information exercise in relation to other Community topics my colleague Vice-President Scarascia Mugnozza has launched as part of the follow-up to the Conference on Women in the European Community held under his auspices last March.

Responding to the wishes of some of the participants in the conference, Mr Scarascia Mugnozza has announced a series of information seminars to deal with different aspects of the European ideal and aimed at the leaders of women's organizations in the Member States. This information programme is in the hands of a unit set up within the Commission's Information Directorate-General and, particularly bearing in mind the period leading up to direct elections to the European Parliament, will continue its work through this year and next year. A second European conference is then planned for 1978.

I look forward now to contributions from the parliamentary group. I thank Mrs Kruchow and the Liberal and Allies Group for tabling the questions before us and for opening the debate. The Commission's position has been outlined now in a general way by myself, but should it seem appropriate at the end of the debate for myself or my colleague Mr Scarascia Mugnozza to reply to any points relating to our respective competences we shall be available and happy to do so.

*(Applause)*

## IN THE CHAIR : MR BERKHOUWER

### *Vice-President*

**President.** — I now call Lady Fisher of Rednal to speak on behalf of the Socialist Group.

**Lady Fisher of Rednal.** — The conference in Mexico to celebrate International Women's Year created a great deal of criticism. I shall not go into the details of the criticism levelled against it, but that it was held at all indicates a change in the world. For the first time a world-wide international conference of women was held, and it raised to the level of official respectability social issues which have always in every society been minimized. It emphasized that the poor and women are still with us.

It was brought out clearly by the women from the Third World countries, whose main occupation is in agriculture, that they are very dissatisfied with many of the aid programmes. The working life of a woman in the Third World was very graphically described when she spoke at the rostrum of the many miles she walked each day fetching water and gathering firewood as well as working in the fields and then coming home and grinding millet for a meal.

### Lady Fisher of Rednal

It was pointed out by delegates from the Third World that the aid programmes continued to send out tractors and bulldozers and other equipment which in many instances does nothing to help what is called the domestic worker. At the Mexico conference women from the Third World spelt out clearly that what was required was simple labour-saving devices such as grinding machines, small pumps, and containers to hold water. It was emphasized that the large force of women engaged in agriculture in the Third World have a very raw deal when it comes to aid programmes and the opportunities of education in technological agriculture. It was clearly stated that, frequently, men who do not even work in agriculture are given aid to learn agricultural technology. Therefore, I support Mrs Kruchow in emphasizing the importance of microprojects. I hope that what I have said today arising from the Mexico conference will be taken into consideration.

I wish to speak briefly on the third paragraph of the oral question. Mrs Kruchow said that we must create more interest among women when we get direct universal suffrage in the European Parliament. I cross swords with Mrs Kruchow here. To get greater participation in direct European elections, greater interest will have to be inculcated in both women and men — young and old. This is not specific to women. Whether Mrs Kruchow is talking of the greater participation of women as candidates or electors, the game of politics in the European Parliament will have to change.

Today, politics suggests speeches, power, institutions, star performers, the endless battle of words, in some instances words which show little real understanding, and longwinded speeches on the abiding topics. All this will have to change if more women are to become interested in the European Parliament. Life is an everyday thing, but politics here does not seem to be concerned with everyday things. We sometimes fail to come to grips with everyday issues.

How can we explain to the homeless and to the people who have to suffer bad housing conditions our marvellous JET project and the landing of man on the moon when we cannot give them a decent home in which to bring up their families? Those are the issues of paramount importance to the people who will use their vote in the direct elections. If we are to encourage more women Parliamentarians in Europe we shall have to convince them that politics is not just a battle of words. Nor does it mean taking over male myths and rights. The gap between talk and action will have to be narrowed. Increasingly, institutionalized politics is being attacked from all quarters by pressure-groups which are very intensive but are limited to specific objectives. The people who join these pressure-groups are normally those who are fed up with politics. They identify themselves with every-

day projects, and use all their resources and energies to try to convince politicians of the importance of the problems which are caught up with everyday life. Women see the need to join pressure-groups because they have grown weary of promises and excuses for inaction, weary of words.

If Mrs Kruchow is asking more women to join Parliament and we get an invasion of women, I envisage that the bureaucrats in Brussels will start quivering in their shoes. Parliament would be a very weary Parliament if it had only women Members. A Parliament with all male Members would also be a weary Parliament.

I do not believe in female chauvinism; that is the last thing I want. I want to feel sure that the dialogue between people — that is, between men and women — will continue, as it must continue, if we are to succeed in creating a new social order in Europe and the world.

*(Applause)*

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

**Mr Pisoni.** — *(I)* Mr President, it is a male Member who has been called to speak for the Christian-Democratic Group on questions concerning women. But I am not really trespassing here, because I am convinced that this is a problem which has to be tackled by all of us, whether men or women.

It is not our task today to discuss the role of women or female emancipation. The questions which Mrs Kruchow has put to the Council and the Commission in fact deal only with two specific aspects of the problem. Mrs Kruchow wants to know how these two Community institutions intend to act and what direction certain events are to take. I must confess that this seems rather a limited approach to the problem, not because I do not believe in tangible results and in steady progress by stages towards major accomplishments, but because we must not lose sight of the general goal which has to be attained.

The first question deals with the employment of women in the Europe of the Nine, while the second is mainly about the position of women farm workers in the countries of the third world. The various women's liberation movements have progressively tackled problems in various sectors, but they are now tackling the general problem of woman's role in society, which they regard as a political problem which cannot be broken down into sectors or divisible parts. In fact, they are calling for an improvement in terms of quality, not quantity. Both men and women must be made aware of the absolute equality of the sexes; they must realize that they have distinct roles in only a very few cases, and that in the vast majority of cases their roles are interchangeable. As a result, instead of limiting discussion to any single aspect of the

**Pisoni**

problem, we must encourage the development of a specific mentality, a specific awareness.

If we look at the employment of women, we see at once that they are subjected to two types of work — at home and outside the home. This is because society has made women responsible for a whole range of household tasks. We are thus dealing with a social and cultural problem, and not one of diplomas or university entrance, of how many Grade A or Grade B officials we have, or of the ratio of men to women in the European or national parliaments. This will certainly not serve as a yardstick for the position of women in the world today. The problem, as I said just now, is cultural, and it is up to us — the European Parliament, the Council and the Commission — to encourage improvement by exporting our cultural concepts.

We know that roles in any society change if relationships change, including economic relationships. While I do not wish to couch this in Marxist terms, I do feel that we can help the social systems in third world countries to change from within, so that the role of women can change automatically. There would then no longer be a women's problem to be discussed in a female context, nor a men's problem to be discussed in a male context, but rather a problem involving everyone.

I am happy to hear that the Commission has organized some meetings for women only; these meetings have to be understood as the initial steps in developing an awareness of a whole range of problems. But at the same time it would be useful to focus debate on more general ground, with a view to changing woman's position in society. This is a problem of social development and cultural evolution, a problem involving the interchangeability of those roles which are interchangeable, with the accompanying reversal of an entire tradition, of a historical evolution which has often failed to uphold individual rights. As law-makers and representatives of our peoples, we have often stated our belief in rights without doing anything to enforce them.

*(Applause)*

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

**Mr Yeats.** — I begin by thanking Mrs Kruchow for her valuable and interesting introduction to these oral questions. The only mild criticism I make is of the use of the phrase 'International Women's Year'. I know that Mrs Kruchow did not mean it in this sense, but if we harp constantly on that expression we get away from the point validly made by the President of the Council, that this is an ongoing affair. We must keep going year after year on women's rights and on the deprivations from which many of them suffer. We do not wish to present the impression that one year

only is women's year and after that we can forget about it.

Mrs Kruchow is right in saying that in undeveloped countries women suffer from many deprivations, but the Commission and Council are correct in saying that essential improvements here must come from the countries concerned. We cannot tell them how to order their business or urge them to change the traditions of centuries.

It is good to hear from the Commission that schemes are being set on foot to improve the lot of women in the home, I urge the Commission to increase the scope of these schemes as much as possible, but there is a limit to what can be done in the way of giving advice in this respect.

The Nine Member States can do a great deal. There are two basic problems connected with the position of women working in Europe. There is, first, the establishment of the proposition — which has been fairly well done — that women are entitled to work under equal conditions with men. Then there is the related and more difficult problem of enabling them to achieve this end and to overcome the disadvantages from which they suffer, such as inadequate training.

There is the traditional prejudice, which still frequently exists, against the employment of women, the restriction of women in many cases to unskilled work, with very few opportunities for promotion, the family problems that Mr Pisoni referred to, when a woman also frequently has to work in the home, as well as outside, when there are children to bring up, and so on. A little over two years ago, my group, the European Progressive Democrats, published a memorandum on full employment policy in Europe. A chapter in this was entitled 'Concern for the position of women', and it dealt in detail with all these points. I hope that the Commissioner has seen this document and will be able to put much of it into force.

We must agree with the Commissioner when he said that legislation in this instance is a great deal more important than talk; that the practical passing of legislation dealing with such matters as equal pay is all-important. I say to Lady Fisher, who seemed to suggest that the European Parliament as it stands was not of great interest to women because the things discussed there would not interest them, that I do not think she is right on general matters. In the past three years this Parliament has passed more legislation to improve the lot of women, particularly women at work, than has been done in decades in any of our national parliaments. Great strides have been made, which the women of the Community certainly ought to recognize.

I conclude by pointing out that in relation to this matter we passed — it was one of the great milestones of this Community since the Treaty of Rome, many

## Yeats

years ago — the directive on equal pay, which came into force last February. Members may feel that that is the end of the story — that there is now universal equal pay throughout the Community. Sad to say, at least in my country of Ireland, the directive that came into force on 10 February last might as well not have existed. Life has gone on as usual. There is no more and no less equal pay in Ireland now than there was in February last. Because of economic problems in Ireland there has been a kind of unspoken conspiracy, the trade unions in many cases being less than enthusiastic about pressing for equal pay and the employers, as always, trying to avoid giving equal pay, and the government doing nothing to insist that equal pay come in. I put it to the Commission that after all the months that have passed it is time it did something to insist that in my country, as in the other eight Member States of the Community, equal pay did not cease to be merely an act of legislation, but became a reality.

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

**Mrs Kellett-Bowman.** — In June we had a very interesting debate on the problems of women in the Community, and the Commission's reply was interesting, particularly in the information it gave about the setting up of a women's bureau. But we really cannot expect the Commissioner to produce new initiatives every three months, rather like rabbits out of a hat, so we cannot complain that this reply today contains absolutely nothing that is new.

As regards the Mexican Conference, women throughout the world had looked forward to it as the climax of International Women's Year, but unfortunately the conference did not come up to expectations, and received an extremely bad press, as my Socialist colleague obliquely said.

The conference committees, however, were a different matter, and proved the value of thorough preparatory work painstakingly undertaken long before the rather heady atmosphere of the conference. Because of the excellent preparatory work of the United Nations Secretariat and the deliberations of the Consultative Committee, which worked solidly for two weeks in New York in March 1975, Committee No 1 agreed on the amended world plan of action, which covered all matters relating to women, including health, employment, education and housing.

I was a little puzzled, therefore, to see that my friend and colleague Mrs Kruchow singled out the need for technical training for women in agriculture as the most urgent of all needs. I am not convinced that the developed Western world should be seeking to influence the pattern of life in less developed countries. I was delighted to hear President Brinkhorst say that the wishes of the developing countries themselves

must prevail, that they must decide, and that their views must be respected. I was glad to hear Mr Hillery back up that point of view. One of the firm principles of the Lomé Convention and the Community's development policy is that we refrain from interfering unduly in how they conduct their affairs.

Life in many less developed countries may well seem, to Western eyes, unfair to women, but to the people of those countries it may on many occasions seem a sensible division of labour, and if we were to attempt to 'involve women in microprojects on equal terms with men at every stage', we might well cause a total collapse of the social fabric of the countries concerned. Could we not better help these women by providing better basic educational facilities and information on birth control? I cannot help feeling that a woman is unlikely to be interested in a 'microproject' if she has a 'macro-family'. The practical aids referred to by Lady Fisher would make their life easier.

On the second question, it seems to me that the Commission has already embodied most of the recommendations of the Sullerot report in the directive on equal treatment which we passed last year, and in the other measures that Commissioner Hillery pointed out. There are undoubtedly still priority matters where women would like to see action — the further elimination of discrimination in employment, on which I never tire of reminding Mr Hillery that the Commission ought to set a good example, flexible working hours, maternity leave with no loss of seniority on return to work, and an opportunity for retraining on return to work or after child-bearing, and some form of guaranteed income for women who remain at home to care for children.

But when we fight for the rights of women for equal pay and job opportunities we must never make the fatal mistake of trying to persuade all women that they must fight their way through a competitive economy. We must never under-value the tremendous contribution made to the well-being and stability of our homes and nations by the women who wish to play their roles as wives and mothers and do not wish to be forced by economic circumstances or the pressure of public opinion to leave their homes and seek employment outside. Women who make the conscious decision to remain at home should not be made to feel that they are somehow inferior or in any way less able than their friends who go out to work.

But, of course, there is an ever-increasing number of women who seek employment and who should not be at such a great disadvantage *vis-à-vis* their male colleagues. Great improvements could be made in the position of all women by reforming the tax and social-security systems in Europe. We in the Conservative Group would like to see the introduction of a tax credit system throughout the Community as a means of simplifying tax structures and giving help where it

**Kellett-Bowman**

is most needed. In particular, a child credit paid to the mother weekly would give her an assured basic income which at present she lacks.

It is an astonishing fact, but when we did some research into the economic position of wives in the United Kingdom in 1973 we found that between one-third and one-half of wives had received no increase in housekeeping money despite the fact that wage rises then were running at 30 per cent. The problem is that in the United Kingdom a high proportion of women in all classes have no idea whether or not they are getting a fair proportion for housekeeping. I do not know whether this is the case in other Community countries, but, as far as we are concerned, men always know what their wives earn, as this has to be declared on their tax returns. It would be a simple matter to oblige both husbands and wives to sign tax forms so that each would know what the other earned and could act accordingly. I suggest that the Commission makes a proposal on these lines and does research to find out what the position is in other countries. This would be a simple and practical step which could be of inestimable value for giving women a fair crack of the whip.

**President.** — I call Mrs Ewing.

**Mrs Ewing.** — I thank the mover of the questions for bringing them forward again. I do not think that we should be too complacent about the position of women and think that because we discussed it three months ago it is not something we should discuss again today.

I agree with the points made by the various speakers and, in particular, with Lady Fisher's points. I do not want to rehearse them, but they sum up the problem arising from the fact that women form half the human race and yet this is the sector where there is a waste of talent in a world that needs every talent that everyone has got and is willing to offer for the well being of us all. This waste of talent is still with us, even in the Nine. It is very important to ask whether this is not a basic attitude that still prevails among the males. I wonder whether the Members of this Parliament have any lingering attitudes left around somewhere in relation to the equality of women.

I come from a country where on the face of it there is a tremendously good equal educational system with equal opportunity to go to university. It looks fine from the outside, but there are hidden factors. If one studies our universities and sees how many women are admitted to the faculty of medicine, one wonders how long the interview lasted after which they were turned down. How many women are admitted to the faculty of engineering? How many women are advised by a career adviser when they are considering leaving

school? How many women are given the same talk as is given to the boys? I have been looking into this in my constituency. I found out that the boys have talks from engineering experts, for instance, but the girls do not unless people object. There are hidden factors even in the Nine, where we might feel we had equal opportunities, whereas a little examination shows that the opportunities are still not being translated into fact.

When I reflect on this, I suggest that the Commission might take from me a very practical proposal. The proposal is to look at that crucial area of the link between a young person leaving school and going into a career, be it an apprenticeship, a job without a particular training, an academic training or a college training. It is here that it seems to me we could do something. I have found from my researches in many colleges in Scotland under my nose, at it were, that the advisers come from the ranks of the teachers. In many cases they are not skilled to give advice about the best use of talents. This is where things go wrong. I suggest that the Commission looks at the possibility of the link stage, of help being given and of creating advice centres where the advisers will be people from the ranks of industry and of the professions who can prevent the waste that I see. Young people often spend up to one or two years studying the wrong subject because they receive hopeless advice. They start to pursue a career that they did not want or find out later that they would rather have taken another career.

There must be something wrong with the attitude of men politicians. The proof of the pudding is that the political parties which I know do not select equal numbers of women and men. Women politicians seem to shine. At least, this is so in Westminster, as I have said, when on the last occasion many women were made Ministers disproportionate to the number of women elected. It should therefore follow that these women are equal, and yet they are not.

On the direct elections, a lesson for all political groups and parties would be to go back home and say, 'Let us have equal numbers of candidates', or perhaps a few more women than men in order to even up the existing situation.

The attitude of building societies and banks towards women is also wrong. In my experience women are without doubt treated as second-rate citizens in those spheres. Perhaps directives could be considered for the solution of that problem. Judging from the attitude of people in industry, there is definite discrimination. Even though we can make nice tidy laws and rules about this, we still have to tackle the fact that the attitude is wrong. It must be wrong within the ranks of our membership, otherwise there would be more women present in this Parliament.

**Ewing**

I recently visited Sri Lanka. There I had an opportunity to meet many women working in very poorly paid jobs from tea-planting to small factories and also women working in very bad conditions in various attempts to improve the economy in decolonization schemes and so on. If I may echo what Lady Fisher said about practical help, the Sri Lanka citizens to whom I spoke on the subject said, 'We get the wrong thing. It is bicycles that we need, not motor cars or tractors.' It is practical things that we should be considering when we are offering advice to third countries, although I take many of the points that Mrs Kellett-Bowman made. We must not force our Western views down anyone's throat.

I leave this with all the political parties in the hope that, when the names of the candidates standing for the direct elections are published, we shall see a radical improvement in equality.

**President.** — I call Lord Castle.

**Lord Castle.** — As a male non-chauvinist I do not represent any political party in my views. However, I think that I can claim to speak for European man, particularly as represented here, in deploring the misuse of Assembly time this afternoon by the spreading of fire over such a wide front. We have two subjects before us introduced by our good friend who sits on the Liberal benches. I think that it would have been as well if we had restricted ourselves to a discussion of the item she raised.

I must say this to my lady friends. I declare an interest — I like women; I admire them and I envy them as equals. I think that all of us will regret the fact that certain addresses were not made to the suggestion in paragraph 3 of the question asking for special provision to be made in the education of women — our fellow-citizens — in introducing them to direct elections.

I want to speak for the men. I want a lot of introduction to direct elections and a justification of them. Of course I do, and I should hate the segregation of women in that respect. All the afternoon has been tinged, surely, by a suspicion of hypocrisy. We look at the Council benches and we look at the Commission benches. In the hollow ranks of the Commission there is no woman. There are no women Commissioners. There is not a single woman on the benches of the Council.

This may be an old argument, but the women of this Assembly should take it very much to heart because we in our country have established a tradition of women, and that is why the intentions of Mrs Kruchow in raising this question in paragraph 3 seemed to some of us to be denigrating women, to be patronizing them; and I resent it. I want women to see women in this House as they have a right, and they have established a right to claim complete equality.

In Britain we used to think of women coming into public life to look after day nurseries and such things ...

**Mrs Dunwoody.** — Education.

**Lord Castle.** — ... Education, perhaps. And today there are, for instance, as many housing chairmen who are women as there are men. They take an equal share, and no one questions their ability to deal with such people as builders and contractors.

Let us be frank about this. Whatever else I can do, I cannot support paragraph 3 appealing for special education for women in Europe. How are we to sell it to the cheap newspapers — as 'Europe is good for the over-40s' or as 'A woman's view of the Common Agricultural Policy', explaining the extraordinary appeal of the regulation on the length of eels or the constitution of mayonnaise? Is this to be the women's appeal?

We demean women if we approach this subject in that way. I believe with Lady Fisher, and, I think, with most of my comrades in the Socialist Group, that women are as intelligent and as able to acquire as much knowledge of politics as any man in this chamber. They are as concerned with the good of mankind and womankind as any man who comes before the electorate.

I recommend that when next the Assembly deals with women it should restrict itself to an attack upon one or two special issues and not tempt people like myself to indulge in a general preaching which is out of place in an assembly of this kind. We want action from this place. I am sure that the next debate is one of importance. Why, then, should we have had this waste of time on an old-fashioned, out-of-date conception of women?

**President.** — I call Mrs Kruchow.

**Mrs Kruchow.** — (DK) I should first of all like to thank the Council and the Commission for their detailed and obliging answers, answers which were also quite encouraging. I also thank the other members who took part in the debate. By and large I agree with their comments but I have a few points to make in reply.

With regard to the EEC countries' forcing certain projects on developing countries, I fear that I have been misunderstood. I made it quite clear in the question that the Lomé Convention places representatives of the EEC and ACP countries on an absolutely equal footing. Then there is the point which was raised perhaps most forcefully by Lady Fisher — that we know that large quantities of the wrong material are sent out, tractors and machinery, for which they then find it impossible to obtain spare parts. They rust away, no use can be found for them, and so on. It was

**Kruchow**

for that reason that I drew attention to the micro-projects.

I am not suggesting that the projects which are chosen should have to be carried out in a particular way, but when it is stated explicitly that developing countries are engaged in various projects, I think it is reasonable to point out that we in our technical world are in a position to describe progress and results in coloured pamphlets, eye-catching posters and simple reports. We can take films and show whether the work is successful or not.

Furthermore, through these Community bodies, we can get in touch with the various women's organizations in developing countries and support them. They were present in Mexico and the message they brought, like that conveyed by Lady Fisher and by the women in Sri Lanka, was: you really must help us because the men in all your organizations — private and political — do not understand. Help us to explain the situation!

There are of course men in the developing countries who understand the problems. One of them is President Nyerere of Tanzania who, in a major speech in 1967, said: 'Our farmers, especially the men, should be asked how many hours per week and how many weeks per year they work. The truth is that it is the women in the villages who work very hard. They sometimes work 10 or 14 hours per day. They work on Sundays and on public holidays. Women in the villages work harder than anyone else in Tanzania!'

That was the view of an African statesman. We must therefore give him our support and make available all the expertise and information at our disposal. That's not the same as saying: you must do things another way. No, we really must help those in the developing countries who need help. They are great in number, but they are not able to express themselves as clearly as we here in this assembly and in the western world.

It is for that reason that I should like us to do everything possible to make our information available to them and without imposing anything upon them.

With regard to impartial information, I should like to make it clear that what I really mean was that the ideas contained in the Sullerot report should be developed further and that these objective statistics should be made more widely available in the 1970's before we have direct elections. At a time when the presence of women in this Parliament is being discussed, I believe that all business, whether it be the most difficult economic matters or the complexities of agricultural negotiations about the 'Green Pound', benefits from the contributions made by women in this Parliament.

This is why I think that something must be done in our own Member States to provide information about the situation, and we can then simply compare

country with country to see how women in some places may have managed to assert themselves more, not just politically but also in private industry and in the public sector.

In conclusion, I would say that I hope that the bureau, which we heard about a few months ago and which is to devote itself particularly to women's affairs, might also examine some of the ideas which have been discussed here today, although I know that the Commission is already, on its own initiative, doing good work with the people we are pleased to see here today. However, we cannot do enough to propagate impartial information, and the same is true of the symposia which, I believe, are already planned. I am glad that we have had this debate today.

*(Applause)*

**President.** — The debate is closed.

10. *Tabling of a motion for a resolution*

**President.** — I have received from Mr Alfred Bertrand on behalf of the Christian-Democratic Group and Mr Fellermaier on behalf of the Socialist Group a motion for a resolution, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on the violation of human rights in Chile (Doc. 353/76).

I shall consult Parliament tomorrow morning on the urgency of this motion for a resolution.

✓ 11. *Oral questions with debate: Extension of Member States' fishing zones — Aquaculture and seabed prospecting*

**President.** — The next item is the joint debate on:

— The oral question with debate, put by Mr Prescott, Mr Schmidt, Mr Laban, Mr Espersen and Mr Concas on behalf of the Socialist Group to the Council of the European Communities, on the extension of Community Member States' fishing zones to 200 miles (Doc. 325/76):

The latest session of the United Nations Law of the Sea Conference has just ended without agreement on an international convention. Some States (including Iceland, Norway, the United States and Canada) intend to extend unilaterally their fishing zones to 200 miles by early 1977. The consequences of this will be severely detrimental to the fishing industries of the Community if the Community States fail to extend their fishing zones to 200 miles. The Council has already agreed such an extension in principle. It is now vital for Member States of the Community to take immediate action.

The Council is accordingly asked:

1. What is its view of the current state of progress in the law of the Sea Conference?
2. When will it reach final agreement on an extension of the Community Member States' fishing zones to 200 miles, and when will the extension take place?

**President**

- The oral question with debate, put by Mr Prescott, Mr Schmidt, Mr Laban, Mr Espersen and Mr Concas on behalf of the Socialist Group to the Commission of the European Communities, on the extension of Community Member States' fishing zones to 200 miles and fishing agreements with non-Community nations (Doc. 326/76):

The latest session of the United Nations Law of the Sea conference has just ended without agreement on an international convention. Some States (including Iceland, Norway, the United States and Canada) intend to extend unilaterally their fishing zones to 200 miles by early 1977. The consequences of this will be severely detrimental to the fishing industries of the Community if the Community States fail to extend their fishing zones to 200 miles. It is therefore vital for Member States of the Community to take immediate action. It is also urgent for the Commission to open discussions on fishing agreements with non-Community nations, and to begin immediately negotiations with Iceland concerning the British fishing agreement which ends on 30 November.

Since the unilateral extension of fishing zones by Community Member States and other European States will raise a number of social, political and economic problems, there is a need for a conference of Ministers from Community Member States and other European States in the Council of Europe to discuss these problems.

The Commission is accordingly asked:

1. What is its view of the current state of progress in the Law of the Sea Conference?
2. When will it open discussions on fishing agreements with non-Community nations, and in particular, when will it begin negotiations with Iceland concerning the British fishing agreement which ends on 30 November?
3. Is it prepared to take the initiative in calling for a conference of Ministers from Community Member States and our European neighbours in the Council of Europe to discuss the social, political and economic problems that will arise from a unilateral European extension of fishing zones?

- The oral question with debate, put by Mr Cointat on behalf of the Group of European Progressive Democrats to the Commission of the European Communities, on aid granted to aquaculture and seabed prospecting (Doc. 327/76):

The Community is at present granting — in a variety of forms — aids to aquaculture and seabed prospecting. Is the Commission in a position to draw up an overall programme for the exploitation of the continental shelf, both as regards aquaculture and the utilization of the seabed and the sub-seabed?

I call Mr Prescott.

**Mr Prescott.** — That is a difficult time-limit with which to comply on a highly complex subject, but I shall observe the rules of the House and address my remarks to the essential points. I shall refer the Commission and the Council to the latest policy document agreed last week by my group in Copenhagen in which our policy is spelt out more definitively.

The questions arise out of a group, chaired by myself as a member of the Socialist Group, which visited the Law of the Sea Conference in New York to discuss matters connected with the law of the sea. I should like to express my appreciation to the Commission for the cooperation of its representatives in New York in discussing relevant matters and making arrangements for us to meet the representatives of various nations, with ten of which we had intensive discussions.

It was clear to us then that the Law of the Sea Conference would not come to an agreement and that this would mean that nations would take unilateral action. Indeed, nations were already politically committed to doing so. I am thinking here of America, Canada, Norway and others. We were concerned with the position of the Community if unilateral action were taken by individual nations. The consequence would be that Community fishing-fleets would be denied access for fishing in the waters of certain nations and would compensate for that by fishing within the Community fishing-grounds. We therefore decided to address a number of questions to the Council and the Commission. Since then, time has elapsed and some of the questions have been answered, but we think that it is still relevant to ask certain questions and discover what the Commission's answers are.

At the Law of the Sea Conference many divisions arose between Community nations and between Community and non-Community nations within Western Europe. Divisions are becoming increasingly apparent between the rich world and the poor world, as was brought out by the UNCTAD Conference, and the Community nations seem to be divided among themselves and in relation to the other European nations.

We believe that the wealth of the sea-bed is the common heritage of mankind and that we should therefore devise a formula for sharing this wealth, giving priority to the Third World. In the formula proposed, the Community is allied with the rich world, which includes Western Europe, and Russia, against the poor world — the Third World. It is important to us that Europe should be identified in this moral issue with helping the poorer countries. That is one issue which is spelt out in our document. That is why we have called upon the Council to consider the possibility of calling a conference of Community and non-Community nations in Western Europe to decide our attitude to the future Law of the Sea Conference. This will enable us to coordinate a European position and at the same time to consider the problems which arise out of unilateral extensions by Members of the Community. We believe it to be essential to announce a unilateral extension on 1 January 1977, and our resolution refers to that.



**Prescott**

We have asked similar questions of the Commission. What we ask of the Commission arises directly out of our talks with the Icelandic Prime Minister and other national delegations. We are asking for the negotiations with the non-Community nations to be started immediately. We await the negotiating brief. Perhaps the Commission and the Council will tell us more about that. That is crucial if we are to avoid the sort of conflict that has occurred between Britain and Iceland over the fishing agreement.

The British agreement with Iceland ceases at the end of November. The German agreement continues for a further 12 months. Other Community nations have agreements with Iceland that continue for a longer period. At the end of November Iceland will wish to discontinue the agreement with Britain. Because the Community has the brief to negotiate a solution, we shall be faced, not with an isolated British conflict, but with a Community conflict.

In its negotiating brief, the Commission may have to consider a short-term, bilateral agreement between Iceland and Britain negotiated by the Community, until the common fishing policy of the Community is concluded, when we can get an agreement which comes into force at the same time for Britain, Germany and the Community nations which fish in Icelandic waters. It is crucial that those negotiations should begin as soon as possible.

I feel that the good will of the Community in the negotiations will help to avoid the ridiculous position in which Britain was placed by the use of force. I have always been critical of that. The result was an agreement which was worse than the one we could have reached 12 months before.

We hope that the Commission will consider the convening of a conference. I have mentioned one of the issues. The second one concerns the negotiation of reciprocal fishing agreements. The nations which do not have reciprocal agreements may be forced out of the traditional fishing grounds of the East European nations. The possibility of Western Europe coming to an agreement on fishing and isolating Eastern Europe raises political difficulties that should be discussed with our colleagues in Western Europe, particularly Norway and Iceland.

Because of the time I cannot pursue this item further.

I want to finish on a point concerning the problem of external factors such as we have seen with Ireland and with Britain in the situation that exists in the Channel. One of the major contributions of the Community arises from the fact that in its collective strength it can negotiate an agreement and provide protection from external forces, such as the Eastern fleets. Individual nations cannot get into a situation of conflict and satisfactorily solve it.

What do we do in respect of the internal factors of a fishing policy within internal waters? We are in the process of framing a resolution that we hope to put forward after we have heard the replies of the Commission and the Council. The Commission has made its proposals to the Council of Ministers, which meets next week in Luxembourg. I hope that the Commission will be able to comment on the fact that there seems to be a conflict between those who demand exclusive area control for fishing — almost an Iceland-Britain argument again — and those who feel that there should be free access up to six or 12 miles. There has to be a compromise agreement. This is clearly not within the proposal put forward by the Commission, which is wholly deficient in that it does not provide adequate conservation assurances. At the end of the day the kernel of any fishing-policy is the question of how we maintain the quotas that are agreed, and how we conserve stocks.

At the moment, the proposals in the Commission document take us little beyond the position that has existed over the last two or three decades, which has resulted in the decline of stocks. What we must do is to come to an agreement. We cannot have an argument between those who want an exclusive area on one side and those who want free waters on the other.

The Commission has made a valiant effort to find a solution to the problem of the six- and 12-mile limits, but that is not sufficient. The principle embodied in the Law of the Sea Conference is that giving protection to the coastal State is the main way of conserving fish. That is the essential principle. Somehow we have to embody it in an essential compromise, which this House has the opportunity to put forward as an opinion.

I hope that arguments of nationalism do not enter into this discussion in too great a degree. I heard this in the case of Iceland, and I hear the same voices talking now. We have to find a compromise on issues where it is essential to reach agreement. That is what I, as a past anti-Marketeer, have to recognize. We have to reach an agreement. I hope that the Commission will give us an indication of where they think that agreement may be found.

*(Applause)*

**President.** — I call Mr Cointat.

**Mr Cointat.** — *(F)* Mr President, ladies and gentlemen, I asked last month if the Commission was willing to have a debate on the problems of the sea, with particular reference to the continental shelf. Mr Lardinois was kind enough to give me an affirmative reply.

### Cointat

This is why I have tabled my oral question on aquaculture, a question which has been combined with the two previous questions but which differs slightly in that it deals only with the continental shelf. Furthermore, of the various methods of exploiting this shelf I am concerned only with the actual seawater; I shall allow my colleagues, if they wish, to consider the utilization of the seabed and the sub-seabed.

Exploitation of the sea's resources — aquaculture — is our only means at the moment of reaching a common policy. In order to keep within the ten minutes which the President has granted me, I shall therefore limit my comments to one aspect, the vital problem of food production.

In spite of all the 'mountains' and 'lakes' we have in certain agricultural sectors and at certain times, we are going to be faced with a world food shortage. The population of the world is growing at a rate of 2 % per year, while food production is increasing by only 1 %, so a shortage is inevitable. If we are to feed well over six-and-a-half thousand million human beings in the year 2000, we have to start thinking about ways and means now, when already two-thirds of the world's population goes hungry.

Scientists are making a special effort to produce protein. They are growing yeast and bacteria cultures, and they are producing amino-acids, lysin, methionine and tryptophan. But all the experts agree that none of these products is going to solve the problem of food shortages in the year 2000.

We must find some other solution, but what? The answer is the sea: the sea is a vast reservoir, little known and hardly used. It offers us a new world, veiled in mystery but full of promise, a world which is so vast, where the possibilities are so great and the resources so enormous, that the spectre of famine can be — forgive the play on words — 'sunk' once and for all.

This is an irreversible trend. We have no choice but to study, explore, cultivate and exploit sensibly this new world, this marine world. I believe that this will be one of mankind's greatest challenges in the latter half of this century.

What is happening on the continental shelf? In these inshore fishing zones we are sadly still using a system of haphazard harvesting. As far as fishing is concerned, Mr President, we are still in the Stone Age, apart from a few outstanding exceptions such as the farming of oysters and other shellfish. The time has come for the age of aquaculture, just as Cro-Magnon man stopped picking the berries off the trees and turned to agriculture.

The time has come, I believe, to think of cultivating the sea just as we cultivate a field of tomatoes or peas, since the continental shelf is simply an extension of

our coasts and can therefore be considered part of the arable land of Europe. The cultivation of this land currently stops at the coastline. We must adopt a new geographical concept and incorporate the continental shelf in an overall policy.

But one thing has to be understood before we make the sea into a highly productive and sensibly exploited source of food for mankind — it cannot be our larder and our dustbin at the same time. An anti-pollution policy to protect the sea is essential before there can be any policy for intensive farming of the continental shelf. But — and let me be quite clear here — this does not mean that everything we throw into the sea is harmful. Just as the earth's soil is the greatest filter there is, the sea is the world's largest and most amazing purifying plant. Let us not forget that a compost heap is a godsend to agriculture. We ought perhaps to drill these simple facts into all the would-be ecologists who do not really know where they are going.

To sum up, we are faced with what is often a tragic depletion of our coastal waters as a result of over-fishing, improved trawling techniques and increased pollution. If we are to achieve our aim, I believe we must immediately draw up a sea-farming policy, quite apart from any moves to strengthen the fishery protection fleet or to combat harmful pollution. Let me remind you that aquaculture means the intensive farming of marine life, in both animal form and plant form, especially seaweed.

Naturally, semi-industrial pilot studies will have to be undertaken before we launch any large-scale scheme. But in view of the present stage of research, one or two joint projects, which the research scientists are ready for, could well be undertaken for a number of species: Pacific salmon, sole, turbot, bass, sea bream, rainbow trout, scallops, abalones, shrimps, lobsters and, of course, oysters and mussels.

Unfortunately, although the Member States are undertaking research or drawing up useful programmes, this is being done in a haphazard fashion which inevitably leads to wastage. The Community must take charge here and tackle three specific aspects of the problem: control of the life cycle of the species, development of the sea and coastal sites, preservation of the sea's resources. Aquaculture is already practised in fresh-water areas, in rivers, lakes and ponds. It should be extended to our coastal waters.

I hope that this policy will be initiated as quickly as possible. It is just what is needed for the economic management of our fishing industry and will enable us to introduce a common policy for fishing based on the same general lines which made it possible for us to set up a common agricultural policy.

*(Applause)*

**President.** — Ladies and gentlemen, after consulting the chairman of the Committee on Agriculture, I propose that today we should hear the answers by Mr Brinkhorst, President-in-Office of the Council, and Mr Gundelach, Member of the Commission, to the question asked; we would then suspend the debates until tomorrow morning.

I call Mrs Ewing to speak on this proposal.

**Mrs Ewing.** — If we postpone until tomorrow the speeches of those Members of Parliament who have put down their names, can we have an assurance that this will be the first item on the agenda?

**President.** — That is automatically so.

I call Mr Yeats on a second point of order.

**Mr Yeats.** — In view of the congestion of tomorrow's agenda, I propose that the Assembly sit at 9 a.m.

**President.** — That is impossible, because there are group meetings, other people will be absent and many people cannot begin until 10 o'clock. Either we continue on Friday or during the night.

I call Mr Brinkhorst.

**Mr Brinkhorst, President-in-Office of the Council.** — (NL) Mr President, in his speech — to which I listened with great interest — Mr Prescott has raised a host of points going far beyond the two specific questions put to the President-in-Office of the Council. I hope you will understand — this is not out of lack of respect for Parliament, but in view of your own rules of procedure — if I confine myself at the moment to answering only these two questions. I hope you will give me an opportunity tomorrow, at the end of the whole debate — if this is thought desirable or necessary — of dealing with a number of further questions from the honourable Member. The late hour is a further reason for my wanting to confine myself to answering the two specific questions which have been put to me.

As to the first question, the Council naturally finds it deeply regrettable that it was not possible to reach agreement on essential points at the fifth session of the United Nations Conference on the Law of the Sea which closed on 17 September last. The Council finds this extremely regrettable because the Community has adopted definite positions which could have contributed substantially towards a favourable outcome of the Conference on the Law of the Sea.

In view of the fact that this Conference ended on 17 September and the Council met on 20 September, the Council has not yet had an opportunity of discussing all the consequences of the failure of the fifth session of the Conference on the Law of the Sea. I can, however, add, so as not to paint all too gloomy a picture, that there was in fact definite progress on a

number of points such as fishing rights, biological resources and scientific research, although this still does not mean that the elements of an overall compromise are already within our grasp. In particular, it proved impossible to reach agreement on the exploitation of the international sea bed, partly on account of the highly complex situation to which the honourable Member rightly drew attention, i.e. the conflicting interests of littoral States and land-locked States and of rich and poor countries. Mr President, in answer to the first question I can thus repeat that the Council deeply regrets the present course of events, because this has led to a *de facto* situation which also creates problems for the Community.

This brings me to the second question from the honourable Member. On 23 September, the Council received a communication from the Commission on the whole range of problems arising from the new situation that has now developed as a result of the failure of the fifth session of the United Nations Conference on the Law of the Sea. In this communication the Commission states its position on both internal Community problems and matters of external policy. The Council will deal with these two aspects — internal and external fishing problems — as one clearly inter-related complex. The first discussions on this communication and on the Commission's proposals are to be held on 18 and 19 October in Luxembourg, where the main point will be the extension of Community fishing limits to 200 miles.

I hope that the House will understand that in view of this situation I cannot at the moment anticipate the discussions which are to take place on 18 and 19 October, and that, in particular, I cannot give a concrete answer — for the moment at least — to the question of when the Community will be introducing exclusive fishing limits of 200 miles.

(Applause)

**President.** — I call Mr Gundelach.

**Mr Gundelach, Member of the Commission.** — I am replying for the Commission to the external policy questions on the Community's fishing policy as set out in the two oral questions on the order-paper. The third question will eventually be dealt with by my friend and colleague, Mr Lardinois.

I welcome this timely debate which enables us to take stock of the rapid movement of events affecting this vital Community industry. In particular, it is of the greatest help to the Commission thus to begin a dialogue on the fisheries policy with Parliament. This dialogue takes place against the background of two convergent developments, the trend toward the extension of fishing rights to 200-mile zones and the growing trend towards the depletion and indeed, the exhaustion of fish-stocks. Today's debate is about the

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external aspects of these trends, and it is to those that I shall now address myself.

The introduction to the question on the order-paper sums up the present situation very succinctly. Of course, we regret that the United Nations Law of the Sea Conference at its recent session in New York failed to reach agreement on a new body of international law dealing with 200-mile economic zones. It has consistently been the view of the Community that the creation of 200-mile economic zones and the extension of fishing rights would best be achieved on the basis of agreed international law. But we cannot allow the best to become the enemy of the good. It is our duty in the circumstances as they present themselves to protect the interests of our fishermen, which are being jeopardized by the unilateral decisions and overfishing of others as well as by our own overfishing. Therefore, we too must now take our own decisions. But let there be no doubt that, in so doing, we have no intention of abandoning the search for an international solution. We aim to apply the principles on which a broad measure of agreement has already been reached at the United Nations. Next year when the Conference reconvenes we shall set to with a will to reach agreed negotiated conclusions.

The Commission is therefore convinced that, in view of the proclaimed intentions of a number of countries with important fishing interests in the North Atlantic to extend their fishing-limits to 200 miles in the months ahead, the Community can no longer afford to put off the moment when it should take and announce its own decision. There are at least three reasons why this decision must be taken without delay. We need a 200-mile limit if we are to negotiate effectively on a reciprocal basis for continued access for our fishermen to the waters of a number of third countries. We need to protect our own waters against a diversion of third-country fishermen from other North Atlantic waters to our own when extended limits have been proclaimed. We need the 200-mile protection to start the essential process of building up our own stocks, already so badly depleted by our fishing. That is why the Commission has now sent a formal proposal to the Council recommending that the Member States decide in concert to extend their North Sea and North Atlantic fishing-waters to 200 miles on 1 January. Here I should make clear that, in proposing this action for the North Sea and the North Atlantic, the Commission is in no way neglectful of the very important fishery interests of the Member States in other seas, notably in the Mediterranean. But the simple fact is that there is a degree of immediate urgency in the case of the North Sea and the North Atlantic. A decision on our proposal is a top priority, and it is in this spirit that the Commission will urge the Council to take it at next week's meeting.

I should here add that what I said about the Mediterranean naturally applies also, for instance, to the Baltic

Sea. We are not going to give up in that area what we might be salvaging or negotiating for in the North Atlantic. A decision on our proposal is a top priority, as I said, and it is in this spirit that the Commission will urge the Council to take it at next week's meeting.

The second part of the question asks when the Commission will open fisheries negotiations. The short answer is — when the Council gives us the green light to do so. That is something, too, for which we shall be pressing very hard at next week's Council meeting. We have completed exploratory talks with many of the countries concerned in relation to the North Sea and the North Atlantic. What we need now is the authority to negotiate.

What we have proposed to the Council in this respect is, first, that the Community should make it clear to all third countries which currently fish in our waters that they will be able to do so in the future only on the basis of an agreement with the Community. Our proposal is that those who wish to continue in these waters must seek an agreement with us to do so. Speaking in very broad terms, we envisage the possible agreements with these States as falling into a number of different categories. In the first place there will be agreements with those States in whose waters we fish but whose fishermen do not fish in other waters. Two examples here are the United States and Canada. With them we cannot seek a reciprocal agreement, but we shall aim to ensure that we are treated at least as well as any other third country in the allocation of surplus stocks of fish in American and Canadian waters.

In another category there are those countries where we have extensive inter-linked fishing activities and interests, notably Norway and Iceland, and the rather special case of the Faeroes. With countries in this category we shall seek to negotiate reciprocal agreements for mutual fishing-rights aimed at achieving the best possible balance between the interests of our deep-sea fishermen in these countries' waters and the need to avoid giving concessions in our own waters which will prejudice the building up of our stocks. The agreement that we hope to negotiate with these countries might include joint measures to conserve common stocks of fish. Where any reduction of our Community fishing effort in the waters of these countries is insisted on we shall seek to bring this about gradually and to avoid brutal and abrupt changes; and no doubt they will seek the same from us for their fishermen in our waters.

Then there is the case of the Soviet Union, where there is some traditional Community fishing in Russian waters in the Barents Sea and a much greater amount of their fishing in our waters and where there might therefore be some element of reciprocity in an eventual agreement.

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Finally, there are those countries which fish extensively in our waters but in whose waters we either do not fish at all or fish very little. These are mainly State-trading countries as well as countries such as Spain and Sweden. The basic intention here must be to provide for the progressive withdrawal of the fishing fleets of these countries from our 200-mile waters whilst, however, not interfering with neighbouring agreements such as those existing between Denmark and Sweden.

So much for the bilateral negotiations with third countries which we have proposed should be undertaken as soon as possible. In the context of such multilateral international fishing organizations as the North-East and North-West Atlantic Fisheries Commissions, the Commission has proposed that, with a Community 200-mile fishing-zone in existence, it will have to be the Community as such which in future negotiates in these bodies on the basis of a Community position.

Before leaving that part of the question which deals with negotiations with third countries, I should like to say a word or two about the specific issue of Iceland, to which the question specifically refers. Reference is made to opening negotiations immediately 'about the British fisheries agreement' which expires at the beginning of December. It is indeed the case that three of our Member States have fisheries agreements with Iceland and that the first of these to expire is the British agreement, which thus lends unique reason and force to the need to open negotiations without delay.

But let me make it very clear that we are not aiming to negotiate on these bilateral agreements with Iceland. We are aiming to negotiate an entirely new agreement between Iceland and the Community as such which will place on a basis of security and stability the mutual fishing interests of both parties in each other's waters. This, one may hope, will be an agreement which will look forward to a new era of cooperation and the deepening of ties between Iceland and the Community and not back to the sterile confrontations of the past. This will not be easy. The heritage of bitterness is very recent; and the background of shrinking fish-stocks everywhere in the North Atlantic will tax our capacities as negotiators to the utmost. But I am convinced that goodwill on both sides should exist, for it is in the general interests both of the Community and of Iceland to arrive at an agreement, and that is true indeed of all those who border on the same waters.

The last point in the question before the House refers to the idea of summoning a conference of the Member States of the Community and of the Council

of Europe to discuss the social, economic and political problems arising from 200-mile fisheries zones. Frankly, I would counsel caution on this idea. The membership of the Council of Europe does not really fit too well the priorities of the fisheries field — Spain is not there, nor are the Eastern European countries. Instead, there are landlocked countries like Austria and Switzerland. I feel that a conference on this basis would lead to a dispersal and diffusion of effort and not to its concentration on the specific problems which is what we really need.

As to the social and economic problems of our fishing industries, we must certainly not belittle them. On the contrary, this is acknowledged in Article 103 of the Treaty of Accession, which needs to be respected as much as any other article of the Treaty. These problems are urgent and pressing and we must find answers to them; but that I think we should best do in the course of our own internal policy decisions.

It was this that the Commission had in mind when it proposed a radical adaptation of the Common Fisheries Policy and the undertaking of a massive programme of structural reform. I will not stray off now into this field, which the House will be debating soon enough. Suffice it to say that I believe that the finding of equitable Community answers to our fisheries problems, both internal and external, is one of the greatest challenges facing our Community today.

*(Applause)*

### 12. Agenda for next sitting

**President.** — The next sitting will be held tomorrow, Thursday, 14 October 1976, at 10 a.m. and 3 p.m., with the following agenda:

- Joint debate on fishing questions (continued);
- De Freitas report on generalized tariff preferences;
- De Koning report on the milk market;
- Motion for a resolution by Mr Gerlach on skimmed-milk powder;
- Schwabe report on the carriage of goods by road;
- Premoli report on the protection of the Mediterranean;
- Oral question on air traffic control;
- Oral question on bird protection;
- Oral question on third-party motor vehicle insurance;
- Dykes report on transactions in securities;
- Artzinger report on taxes affecting the consumption of tobacco.

The sitting is closed.

*(The sitting was closed at 6.50 p.m.)*

## ANNEX

*Questions to the Commission which could not be answered during Question Time, with written answers*

*Question by Mr Cousté*

Subject: Policy for familiarizing young people with, and involving them in, the work of the EEC

Can the Commission state what progress has been made on the policy for familiarizing young people with, and involving them in, the work of the EEC?

*Answer*

The Commission has always attached great importance to informing young people under its information policy. This is achieved through numerous contacts with the representatives of young people's associations both at national and international level in order to decide on priorities and cooperation procedures. On the whole, the problem in which young people have shown the greatest interest this year is that of finding employment after leaving school.

There have been pilot projects to create a general awareness of European problems among young people who do not belong to any associations. For example, one of the information offices organized a competition with prizes (the Rome office's competition: 'Europe is your country'), the results of which were good although inevitably limited by the insufficient funds available.

Finally, in order to associate youth more closely with European integration, the Commission, in anticipation of the eventual setting-up of the European Youth Forum, has endeavoured to set up at least a provisional body known as the 'Temporary Secretariat for Youth', thus precluding any opposition from the Council later on. On 23 July last, the Commission therefore invited to Brussels the representatives of the major young people's associations in order to give them an opportunity to choose, in complete independence, the organization and the action programme for this 'Secretariat'.

An *ad hoc* group has been set up to find practical solutions to the problems of equilibrium within the youth movements. These solutions will be put forward at the next meeting of the representatives of the national and international young people's associations on 15 October next, when I hope an agreement can be reached so that the work of the 'Secretariat' can get under way.

*Question by Mr Noé*

Subject: Contracts for nuclear power stations in the Community

Does the Commission not feel that, unless the formation of joint undertakings is promoted between industries in different Member States which produce components for nuclear power stations, it will be impossible to liberalize the Community markets in this important sector?

*Answer*

The Commission agrees with the honourable Member on the absence of a common industrial market in the nuclear power station sector.

As to the proposal, the Commission, in its 1975 paper on the situation and prospects in the electro-mechanical and nuclear components industries linked with the production of energy, stated its readiness to press for the formation of joint subsidiaries, to liberalize the national markets.

In addition, the Commission has encouraged cooperation between electricity producers in order to promote cooperation between constructors. For example, the formation of joint undertakings for the pressurized-water nuclear power stations of Chooz and Tihange I marked the start of industrial cooperation which will continue for the two Belgian power stations of Doel and Tihange II and which has led to the formation of a Franco-Belgian subsidiary to produce fuel elements.

There is a chance of a similar result if Belgium, Holland and the Federal Republic of Germany set up a joint undertaking for the Kalkar breeder reactor.

*Question by Mr Albers*

Subject: Concentration of economic activity in the EEC

Has the existence of the EEC favoured the further concentration of economic activity in the most prosperous areas, as suggested by the Community's critics?

*Answer*

1. The trend towards concentration of economic activity is a feature of almost all industrialized countries. The major factor in this phenomenon is that companies are attracted to the most highly developed areas by the opportunity of enjoying all kinds of ancillary benefits paid for by the community at large.
2. Within the European Community this tendency to concentrate economic activity is a phenomenon which dates back to the industrial revolution. The post-war period has seen the steady decline of certain regions in France and large-scale internal migration in Italy as the north of the country developed industrially.
3. The regional data available do not reveal any acceleration in this process since the Community was originally established. Between 1960 and 1975, for example, the share of value added generated in the richest regions increased by no more than approximately 1%. There was a similar development in the United Kingdom.

In this respect, one should not be misled by the fact that some major cities have developed at an excessive rate. This reveals more a trend towards urbanization rather than any true regional concentration of economic activity.

4. Although it cannot therefore be said that the creation of the Commission has not favoured the further concentration of economic activity, it has to be conceded that the Commission has not been able to play an effective part in altering the regional balance of production and income, which are still distributed unevenly in the Community.

True progress in this sphere can only be achieved by increasing the powers of regional policy, at both national and Community level, and by considering regional factors in the development of structural policies.

*Question by Mr McDonald*

Subject: Financial aid for improvements or additions to farm dwellings

Will consideration be given to the granting of financial aid for improvements or additions to farm dwellings to make them suitable for use as tourist accommodation to farmers who wish to cease farming so that these farmers would have a source of income, the depopulation of rural areas would be avoided, and structural reform of agriculture would be encouraged?

*Answer*

The directive on farming in mountain and less-favoured areas adopted last year has already opened the way for the Member States to grant subsidies to farmers carrying out improvements to make their farms suitable for tourism.

The Commission has no plans to extend financial support for such investments to other areas.

*Question by Mr Creed*

Subject: Guidelines for land reallocation agencies

Does the Commission intend to draw up guidelines for land reallocation agencies so that these may become effective instruments for structural improvement of agricultural land in the Community?

*Answer*

The Commission does not consider it desirable to lay down Community guidelines for land reallocation. The considerable differences between the Member States in circumstances and procedures make this more or less impossible, nor are such guidelines necessary for the proper functioning of the common agricultural market.

The Commission is, however, convinced of the great value of land reallocation, and the Community has given considerable financial aid to land reallocation projects.

*Question by Mr Kavanagh*

Subject: Social Fund

Will the Commission confirm that the difficulties encountered in assessing projects and making payments under the Social Fund are due to inadequate staffing?

*Answer*

The Commission has encountered difficulties in assessing projects and making payments under the European Social Fund and is continually reviewing the operation of the Fund to ensure the speeding up of payments.

There are many factors in the difficulties facing the Fund, including delays which take place in the Member States. The Commission has taken a series of measures to overcome these difficulties which have already led to an improvement in the general situation: restructuring of the Fund's services, rationalization and automatization of procedures and working methods, introduction of standard forms and a deadline for payment claims. Moreover, because of the problem of inadequate staffing which the Social Fund has in common with other funds, the Commission has requested additional staff in the 1977 preliminary draft general budget.

The question of speedier payments will figure prominently in the Commission's consideration of the review of the Social Fund: which is now under way.

*Question by Lord Castle*

Subject: Community Disaster Fund

Has the Commission further considered the idea proposed by President Ortolí to the European Parliament on 15 June 1976, of devising a budgetary mechanism to deal with disasters such as the Friuli earthquake?

*Answer*

Since Mr Ortolí's statement in Parliament in June, the Commission has been investigating ways in which Community aid could be mobilized in the event of a sudden and unforeseeable natural disaster occurring in the Community.

1. The Commission wanted first and foremost to avoid the continual and annoying disputes with the Council about the use of the present Article 400 of the budget, 'Community aid to disaster victims'. The Council maintains that this budget heading can be used outside the Community only.



We therefore entered two separate headings in the preliminary draft budget for 1977 :

59 : Aid to disaster victims in the Community  
951 : Community aid to disaster victims.

The Council has retained these headings in its draft budget. The situation is therefore clear : the Community has the funds necessary for action in the event of a disaster in the Nine.

2. The Commission has learnt from experience that in discussions with the Council a distinction has to be made between questions of principle and budgetary aspects. At this stage, therefore, Chapter 59 has merely been given a 'token entry' in the draft budget. In the event of a disaster, funds would have to be provided by means of either a supplementary budget (as was done for the Friuli earthquake) or a transfer of appropriations.

But that would take time and, like the Honourable Member, the Commission believes that appropriations should be available under this heading from the beginning of the next financial year. Perhaps, with Parliament's help, it may still be possible to bring this about.

3. Then there is the question of the speed with which emergency aid can be mobilized in the event of a disaster.

The use of appropriations under the present Article 400 requires prior approval by the Council of a Commission proposal. Agreement is given under urgent procedure but days or even weeks are lost.

The Commission would therefore like to be able to decide at its own discretion that emergency aid appropriations can be used, subject to an immediate report to the Council and Parliament. One might use as a model the procedures in force for granting aid to the widows and orphans of victims of accidents in the industries covered by the ECSC, or for sending WFP emergency food aid directly or through the Red Cross to third countries in the event of a natural disaster.

*Question by Miss Flesch*

Subject : New equipment for the Commission Computer Centre in Luxembourg

For the replacement of existing equipment in its Computer Centre in Luxembourg, the Commission of the European Communities is apparently considering buying material which would cost some 5 million u.a. more than other, less expensive, alternatives.

What are the technical and economic factors on which the Commission is basing its study and its final choice ?

*Question by Mr Nyborg*

Subject : Computer Centre equipment

What economic, technical and staff-related criteria does the Commission apply when it renews and/or replaces equipment at the Computer Centre ?

*Joint Answer*

It is the Commission's view that the future equipment of the Centre must be technically adequate to carry out the work currently assigned to outside agencies and to absorb the additional workload envisaged for the period between 1978 and 1983.

From the economic point of view, it must be remembered that the additional costs arising from any replacement of equipment are only one of many factors to be considered. There is no doubt that the initial costs will be much lower if the Commission retains its present main supplier, but this factor has to be considered in the light of the Commission's need to obtain much more advanced equipment than that which it presently uses, especially in the field of remote data processing.

The Commission will naturally give every possible consideration to the effects of its choice on the working conditions of the staff at the Computer Centre.

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## IN THE CHAIR: MR BEHRENDT

*Vice-President*

*(The sitting was opened at 10.00 a.m.)*

**President.** — The sitting is opened.

1. *Approval of minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Membership of committees*

**President.** — I have received from the Liberal and Allies Group a request for the appointment of Mr Johnston to the Political Affairs Committee.

Are there any objections?

The appointment is ratified.

3. *Decision on the urgency of the motion for a resolution on human rights in Chile*

**President.** — I now consult Parliament on the adoption of urgent procedure for the motion for a resolution on the violation of human rights in Chile (Doc. 353/76).

Are there any objections to the request for urgent procedure?

I call Mr Jozeau-Marigné.

**Mr Jozeau-Marigné.** — (*F*) Mr President, ladies and gentlemen, since Mr Durieux is unable to attend the beginning of this sitting, he has asked me to speak on behalf of the Liberal Group.

A request has been submitted on behalf of the Christian-Democratic and Socialist Groups that the problem of human rights in Chile should be debated by urgent procedure. We have an extremely full agenda, which includes among other things the whole range of problems concerning agriculture. The third paragraph of Rule 14 of our Rules of Procedure lays down that 'questions to be dealt with by urgent procedure shall be given absolute priority over other items on the

**Jozeau-Marigné**

agenda'. When our Group discussed this matter a moment ago, there was no question of opposing the principle of the request by Mr Bertrand and other Members, but the Liberal Group has asked me to express to the House the wish that this absolute priority should not unduly disrupt today's agenda.

I know that in the conduct of business in this House there is a certain precedent — if I dare call it that — to the effect that, if the adoption of urgent procedure is approved, this does not automatically mean that the item has to be dealt with at the beginning of that day's sitting.

I only wish to obtain your assurance that the vote on urgency will only mean that the item will be placed at the end of today's agenda or, at the latest, on the agenda for tomorrow morning's sitting. This is a straight-forward request and, if you give me this assurance, the Liberal Group will be able to support the request for debate by urgent procedure.

**President.** — Mr Jozeau-Marigné, I wanted in any case to propose to you that the motion, if it is agreed to adopt urgent procedure, should be placed first on tomorrow morning's agenda.

Are there any other objections to the adoption of urgent procedure?

The adoption of urgent procedure is agreed.

I propose that this item be placed on tomorrow morning's agenda.

Are there any objections?

That is agreed.

#### 4. *Joint debate on the oral questions on fishing zones and aquaculture (continued)*

**President.** — The next item is the continuation of the debate on the oral questions on fishing zones and the oral question on aquaculture (Docs 325/76, 326/76 and 327/76).

I call Mr Kofoed on a question of procedure.

**Mr Kofoed.** — (DK) After the debate started yesterday, I got the impression that it would be better if Parliament decided to refer the motion for a resolution and Mr Gundelach's remarks back to the Committee on Agriculture, since this committee is already dealing with the Commission proposal on fishing problems. I therefore think it would be better to postpone the debate until we have a report from the Committee on Agriculture on fishery matters in general. This would give Parliament a better and sounder basis for discussion. I feel at any rate that this would surely be in the interests of many Members who have not had an opportunity to go into the matter in detail. I therefore request Parliament and its President to postpone the debate and refer the matter back to the Committee on Agriculture.

**President.** — I call Mr Prescott to speak against this proposal.

**Mr Prescott.** — I assume that Mr Kofoed was referring to the resolution which has yet to be moved. He is talking about a resolution that has not yet been put to the House. It is therefore difficult for me to argue its case.

I have to establish the urgency of the subject of the resolution not by reference to its content but solely by reference to its urgency. The House will be aware that the Council of Ministers meets next week to discuss the Commission's document, which the resolution deals with in the light of the replies we received from the Commission and the Council yesterday. We shall be asked to assess the advice and opinion of the House, and we can only do that now because the Council of Ministers meets next week. If we referred this matter to a committee the House would be deferring a matter on which it can give an opinion to the Council of Ministers, which is bitterly divided. The House can make up its mind whether it wants to be a House that passes opinions on decisions or whether it wants to play a part in making decisions. That is the point the House has to decide.

I hope that the House will agree to continue the debate on this subject, which is a matter of great urgency. I move that we reject the proposal that the subject should go back to the committee.

*(Applause)*

**President.** — I put to the vote the request that the motion for a resolution which has been distributed should be referred to the Committee on Agriculture and today's debate adjourned.

The request is rejected.

I call Mr Bertrand on a question of procedure.

**Mr Alfred Bertrand.** — (NL) Mr President, we too reject Mr Kofoed's proposal. Fortunately, the debate is now to continue as planned. However, we should like to let the Socialist Group know at this stage that, if it maintains its motion, we shall vote against it. We believe it misses the nub of the matter. Yesterday, Mr Gundelach replied for the Commission to the questions put to it. He explicitly rejected suggestions involving bilateral negotiations with Iceland. Nor did he accept the calls for a conference. Since the Commission's proposals are not officially known to Parliament, and are in any case going to be submitted by the Council to Parliament for an opinion, we want to prepare this opinion thoroughly. This is not the time to table a motion for a resolution concerning points which are unknown to us. I would therefore ask Mr Prescott not to force a vote on the motion after the debate, and to postpone the vote until the Committee on Agriculture has discussed fishery problems in the light of the Commission's proposals.

**Alfred Bertrand**

We do not wish to confuse a purely national interest with a Community interest. The relevant Community policy has still to be drawn up. If Mr Prescott does not comply with our request, the Christian-Democratic Group will nonetheless vote against the motion.

**President.** — We shall see that the situation is at the end of the debate.

I call Mrs Ewing on a question of procedure.

**Mrs Ewing.** — I do not have enough experience to understand all the procedures. I do not understand what is happening. Will you explain, Mr President, what the position will be when we decide to vote on Mr Prescott's motion? We are now in a kind of vague situation. I do not understand it. At the end of this debate shall we vote on Mr Prescott's motion, or shall we not?

**President.** — Parliament has just decided to continue the debate. The author of the motion for a resolution will tell us after the debate whether he intends to uphold his motion, and we shall have to wait until then. We shall now continue the debate. I call Mr Hughes to speak on behalf of the Socialist Group.

**Mr Hughes.** — The problem facing the Community and the Member States on fishing both inshore and in deep water is a matter of extreme urgency. It is getting worse week by week. It was not many months ago that I had the honour to act as rapporteur for the Committee on Agriculture on inshore fishing, when the Community decided to give certain assistance to the inshore fishermen.

Many of the broad principles of conservation and so forth that we outlined in the report come back in a slightly altered form in the motion put down by my Socialist colleagues. It is quite clear that much has happened since that report was made and that debate took place. The Law of the Sea Conference in the United Nations in New York has clearly failed to produce an adequate international answer in time. It is perfectly well known that from early 1977 the Community is likely to extend its fishing limits to 200 miles, whatever the outcome of the Law of the Sea Conference. It is in the light of this situation that Mr Prescott's motion has been put down. We cannot wait long. I am surprised that some Liberals should suggest delaying tactics once again.

The first point is that we must get the Council of Ministers, at Community level, to agree to an extension up to 200 miles for Community Member States' fishing zones from 1 January 1977. If this is not done we cannot provide the basis upon which to erect an adequate fishing policy of any sort for the Community.

Secondly, as we know, on 30 November the current British agreement with Iceland comes to an end and it is essential that the Commission should open discus-

sions with non-Community nations generally. It is a matter of urgency, not merely from the point of view of Britain but also for Germany, that a long-term agreement with Iceland be reached. It is equally clear — this is perhaps the more contentious point — that the present common fisheries is in great need of revision, for both fishing and political reasons. Paragraph 4 of the motion suggests that Parliament has the ability to reach agreement on fishing, and that each Member State should operate by means of quotas, but within that framework how do you police those quotas? You have to have an effective means of enforcing quotas. The size of the fishery protection fleets of member countries is clearly inadequate to cover the whole area up to 200 miles, even with sophisticated technology. Therefore, some sort of licensing arrangement which allows for policing and some control over the fishing effort must be contemplated. The details will clearly be a matter for the Commission and the Council to work out.

When we were discussing inshore fishing, we came round to the view that reserved fishing zones for inshore fishermen were part of what this Parliament has already called for, and reserved fishing zones both for historic rights and for the inshore fishing are already part of the policy of this Parliament. Therefore, it cannot be claimed that this is something novel or a great departure from procedures.

Paragraph 4 (d) refers to coastal fishing-conservation zones in the interests of conserving the fish stocks. The great risk of the present Community's policy is that there will be no fish left for the fishermen to get out of the sea unless there are adequate conservation zones. It is on the basis of securing a supply of fish for fishermen to get out of the sea that we need to have conservation zones up to, let us say, 50 miles and they must be adequately controlled by the Member State.

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

**Mr Vandewiele.** — *(NL)* Mr President, the Christian-Democratic Group noted with interest yesterday's replies by the Council and the Commission. We noted that Mr Gundelach's statement, in particular, was in line with what we had already learnt from the press — I refer especially to the press conferences given by Mr Lardinois and Sir Christopher Soames. The Commission proposes that the Member States' fishing limits be extended, as from 1 January, to a Community fishing zone of 200 miles. This proposal was confirmed yesterday, and we expect the Council to approve it. We welcome this. I could not find anything in Mr Gundelach's note about the twelve-mile zone which Mr Lardinois mentioned in his press conference. It would be useful if we could have some clarification of this point now that the debate is about to start.

## Vandewiele

One of the reasons why Mr Bertrand, on behalf of our Group, called for the debate on the motion to be postponed is that we know there is a wide range of opinions in this House too. One thing, however, is certain — we Christian Democrats agree with Mr Gundelach that in discussing new fishing agreements with third countries, we must adopt a Community approach on the basis of the Treaties. One of the elements in the Treaties is non-discrimination — this is the crucial point. Only when — and we hope this will be achieved next week in Luxembourg — we have agreed on a common stance, can we turn to matters which threaten to divide us on certain issues.

I have had the good fortune to be able to see the text of the Commission proposal originally framed. The size of this tome I have in my hands is in itself enough to show us that we cannot discuss this important document in the space of five minutes. It deserves more detailed consideration. I hope that not only the Committee on Agriculture, but also the Committee on Economic and Monetary Affairs and, perhaps, the Political Affairs Committee as well, will devote sufficient time to it. This is, after all, something which is to a great extent going to define the scope of the common agricultural market.

Great Britain and Ireland regard a 12-mile limit as still inadequate. I gather this from certain press reports. Some people are calling for a limit of 100 miles, or 50 miles at the least. Other delegations rightly take the view that no discrimination can be accepted within the 200-mile Community zone. We can accept — and to be careful I shall read from my text — that certain Community coasted waters may be reserved for specific ships of fishing methods, defined according to technical criteria, with the aim of either protecting inshore fishing against its grounds being fished empty by larger ships, or else of protecting spawning and breeding grounds against over-fishing. These measures may not be the same for all areas, but they must be laid down at Community level in accordance with the normal procedures laid down by the Treaty.

I think what I have just said will have shown you that the talks which the Council is going to have will be extremely difficult and technical. I therefore call upon the Members from all groups to have the necessary time and patience. Once we have an established framework of general guidelines, we in this Parliament will certainly have to make every effort to ensure that a Community policy is formulated.

I shall have the opportunity to speak again on various amendments at a later stage in the debate, and I can therefore be very brief now. My colleague, Mr Blumenfeld, will also be contributing some remarks.

Before concluding, however I should like to express my gratitude to Mr Cointat for his having raised this

question, despite the fact that we shall probably not be able to go into in sufficient detail today. He also drew attention to the scientific investigation, and I hope that his question will be given adequate consideration in this debate.

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

**Mr Kofoed.** — (DK) Mr President, I agree fully with the last speaker when he says that we lack the factual basis on which to reach the decisions which the Socialist Group would like to see implemented. The previous speaker drew attention to the Commission's proposal, and clearly no-one in this House has had the time to really digest this document. As far as knowledge of the facts is concerned, therefore, I think this debate has come too early.

I am disappointed at the Socialist Group's motion for a resolution, since it does not reflect my political views, and I think the Liberal and Allies Group agrees with me in this. It is not particularly 'European' in character. These fishing and marine law problems involve certain principles, one of them — which the Conference on the Law of the Sea will probably finally adopt — being a 200-mile zone. In principle, I think we shall have to agree to this limit, as things stand at present.

Then it is up to the Community to find ways of administering this 200-mile limit, and this is where we are going to come up against principles and political problems. I do not think that we can today, in this House, approve regulations on how this 200-mile zone is to be administered. There is no sound basis for doing so, and I cannot understand the refusal to take the debate further, for if a resolution is to be adopted, there has to be a sound basis for this step.

I feel that the principal task of democracy is to develop attitudes through debate, after which decisions can be taken. I therefore look forward to the forthcoming discussions in the Committee on Agriculture, for there are many problems involved here, and nationalistic sentiments are merging very strongly — the Socialist motion is one example of this. It is nationalism with a vengeance. I think the situation is that we have a certain quantity of fish within the 200 nautical miles, and we have to look for a technical formula which gives a reasonable division of this quantity of fish — as is proper a community.

I feel the essential principle is that we should not conduct nationalistic politics here. May I remind you of the old traditions that have always been maintained on the high seas — and the British were foremost in honouring these — to the effect that everyone is international on the high sea. Those working at sea form a

**Kofoed**

community of their own. It is therefore least of all those who work on land who are going to make the fishermen believe that we should conduct a nationalistic policy. I think that some of the speakers here perhaps have interests in this matter other than those directly concerned with fishing. The fact is that I do not feel it is in the fishermen's interests to introduce restrictions. I feel the best way to protect the fishermen's traditional interests is to ensure that there are adequate opportunities for fishing. I do not think that at sea fishermen make a distinction between one person and the next, for they form a community.

I hope the Committee on Agriculture can draw up a report which provides a basis for real advice for the Commission and the Council.

I agree with what the preceding spokesmen have said and must reject the motion for a resolution tabled by the Socialist Group. I feel it is too early for Parliament to reach a decision for which there is still an inadequate basis.

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

**Mr Fletcher.** — I am at a loss to understand the views just expressed by Mr Kofoed. I hope there is agreement in this House that there is an urgent need to protect our fishing grounds against overfishing by Member States and overfishing by third countries. If this House does not think it has debated and discussed fishing policy long enough, then my group certainly does, particularly as a very critical meeting of the Council is due to take place next week. If we can get in with some ideas and some recommendations before that meeting, we might improve and increase the credibility of the European Parliament as well as, I hope, making a constructive contribution towards the debate and the decision.

I am bound to say — and I do so happily — that in my view the Socialist motion for a resolution provides the basis for a good debate this morning and for this House to reach a decision and give some instructions or recommendations to the Commission and the Council.

As to third countries, Mr Gundelach yesterday gave a very encouraging exposition, first, of the way the Commission looks upon the relationship between the Community and third countries such as Norway and Iceland and, secondly, of the very different attitude that we as a Community must take towards third countries in Eastern Europe in particular which send large factory-ships equipped with some kind of vacuum-cleaner to scoop the fish out of the sea, ships which could in no way be described as fishing trawlers.

There are whole areas of the Community where dozens of small towns and villages round the coastline have no assets other than the skill and courage of their fishermen. This is true of my part of the world

in Scotland. It is true in England, in Denmark, in Ireland, in Greenland and so on. The men and women in these fishing areas will be bitterly disappointed and filled with resentment against this Parliament as well as the Commission and the Council if we fail to act urgently and search for a revision of the common fisheries policy which will meet their demands and give them the confidence and security for the future that their good work deserves.

How can we do this? I wish to make three points on this question. First, the most important way to try to control the fishing effort generally in Community waters is by licensing the boats and, equally important, their equipment and also their right to fish in specific areas of Community waters. I suppose that this will have to be tied to some quota system, because it is the establishment of quotas for Member States that will in turn enable a calculation of the number of boats to receive licences. I believe that a licensing system would now be acceptable to most fishermen throughout the Community. Secondly, we must fix conservation zones. There must be areas where fishing will be banned for specific periods of the year similar to the sort of arrangement that the Community has recently made with Norway. Thirdly, there is the need for coastal fishing zones of up to 50 miles for each Member State in our opinion — preferably, in the British case, an exclusive zone — but, if it cannot be exclusive, the policing of whatever Community fishing activity of other Member States is taking place within those zones should be a job for the Member State concerned. That will give some confidence to the local fishermen, who will be familiar with seeing their own fishery protection vessels and will be happier and more confident about Community arrangements that are delegated to Member States with which they can identify.

That is the sort of approach which we as a group feel Parliament should try to persuade the Commission and the Council to adopt in the deliberations which must be faced very urgently by Parliament and the whole Community.

It is on the criteria of licences, of conservation zones and of coastal zones of up to 50 miles that we will express our opinion and, I hope, vote today on the resolution that has been tabled by the Socialist Group.

**President.** — According to the list of speakers, Mr Hamilton is down to speak now. He is, however, not present. I call Mr Prescott on a question of procedure.

**Mr Prescott.** — Mr President, as you have mentioned my colleague Mr Hamilton, I should just like to put it on the record that he has been sent on a parliamentary delegation. That is why he is not here today, but he would have been here last night if the debate had been continued.

**President.** — I call Mr Blumenfeld.

**Mr Blumenfeld.** — (*D*) Mr President, I can be very brief, for I am well aware that the Council's hands are tied in its statements at the present time, although we did get some indications yesterday from the President-in-Office. However, as we shall not be able to hear anything new from the Council before the 18 and 19 of this month, at least, I address myself to the Commission.

Mr Gundelach's remarks yesterday on behalf of the Commission, to which my colleagues have already referred, have the full backing of the Christian-Democratic Group. We hope — and this is also our urgent plea to the Council — that the Council will now give the Commission the required negotiating brief.

Ladies and gentlemen, we must make it clear in this House today that we as a Community must present a united front to the outside world in defence of something the Commission describes as necessary and urgent — a fact which has also been acknowledged by the Council. The key question is that of the 200-mile zone. We must first of all establish a genuine Community position vis-à-vis the rest of the world and do everything within our power to uphold it. We shall then be able to solve the Community's internal problems as well.

While I sympathize with the interests put forward by our Socialist colleagues from the United Kingdom, by Mr Prescott today, and by representatives of the Conservative Group, and with due regard for the interests of the fishing industry, consideration must nevertheless also be given to the interests of consumers in the Community. There are large consumer countries, amongst them the Federal Republic of Germany. These countries too would naturally like to see their interests represented in this internal Community debate.

For this reason, Mr Vandewiele, some other colleagues and I have tabled a number of amendments to the motion for a resolution. If this motion is put to the vote, we shall press for paragraph 4 in its present form to be deleted. If that is not entirely successful, we shall move our amendment which points out that the Community must fulfil its duty in this matter in much the same way as in the question of agricultural policy.

Mr President, I should like to reserve the right to return to Amendment Nos 1 and 2 when we come to consider the motion for a resolution.

**President.** — I call Mr Gibbons.

**Mr Gibbons.** — We are discussing this morning the use or abuse of a great resource that is available to us. The situation we are confronted with as a Community is the plunder of the seas around our coasts. Everybody in the House knows that if the present

plunder — there is no other word adequate to describe the situation — continues, in a very short time there will be no fish for anybody to catch.

There is a reluctance on the part of the world in general, certainly at the Conference on the Law of the Sea, to face this unsavoury fact. If we do not face it we shall end up with a world without any manageable or workable fish resources. We are rapidly approaching that situation.

In particular, it is necessary for the Community to consider the depredations of third-country fishermen, especially from Eastern Europe, in the waters north, west and south of Great Britain and Ireland. Currently there are a number of these vessels under arrest in our own territorial waters in Ireland, but they are only a fraction of the enormous fleet of factory-ships that are stripping the Atlantic of every resource that it has. This is the first problem that must be faced by the European Community as a Community.

Then we must face for ourselves the need for conservation, the need for the protection of these resources, first from the depredations of third country fishermen. It is flattery to call them fishermen. They are looters. After that we must be sensible about the use of the fish resources for ourselves. Surely we must use that resource to the maximum benefit of those who require it most.

Around our coasts in Scotland, in England and in Ireland there is a breed of courageous and hardy men who depend on fisheries for their livelihood. In the absence of fisheries there is no other resource to which they can turn. In that context it is absolutely necessary that at least a 50-mile zone be made available in certain areas of the Community. I am asking for an exception to be made. I think that there are cogent and reasonable grounds for this exception to be made. It would be unreasonable and unnatural — a contention that might be right — if this request on behalf of the inshore fishermen of Ireland and Great Britain did not receive favourable consideration.

It would appear that the present situation is that the European Commission has a mythical 12-mile limit in its mind. Other people will talk about a 25-mile limit. I think that there is a great deal of nonsense about this. The inshore fishermen of the areas that I have mentioned must be given a reasonable chance of survival and they cannot have that unless the Commission accepts the fact that in the remoter regions this is a vital necessity to the well-being of the people. I strongly urge the House to consider this plea. If it does not, it will be condemning tens of thousands of families to extinction. We absolutely must have it.

**President.** — I call Mr Johnston.

**Mr Johnston.** — This is an extremely important, difficult and politically sensitive issue. First, speaking as a Liberal, I am very unhappy about the maritime



## Johnston

imperialism which in this 20th century seems to be about to replace the territorial imperialism of the 18th and 19th centuries. What are justified — and probably in many cases reasonably justified — as measures to conserve fish will, I fear, be used in the future as a means of securing rights for underwater mineral exploitation. I wish that that could be done on an international rather than a national basis.

Secondly, speaking as a Scotsman who is also conversant with the problems of the fishing communities of North-East and North-West England, Cornwall and so on, I am sharply aware of the fears held by those fishing communities that the Commission proposal for a common EEC policy for open fishing between 12 and 200 miles pays inadequate regard to established fishing communities and offers no assurance that an effective and informed conservation policy will be pursued. Mr Lardinois, to whose availability to all who wish to see him I pay tribute, heard views such as that expressed to him yesterday by fishermen from Fleetwood in England.

It is necessary to be frank if we are to have a chance of resolving the problem amicably in a fashion which would be accepted as workable and fair. The fear which motivates the fishing communities of the United Kingdom is based on the belief that some of our Community partners have in the past engaged in over-heavy fishing, often not only for human consumption, and that in a situation in which certain species of fish seem to be under threat — though precise scientific criteria are admittedly hard to come by, which makes a basic solution that much more difficult — conservation might well be inadequate and traditional fishing communities might be exposed to unregulated competition or, as they would say, to ruthless competition.

That is what underlies the British argument for a 50-mile national zone. Certainly, some assert this argument for uncomplicated, straightforward, nationalistic reasons, reasons which Members of the House traditionally view with suspicion and tend to reject. But the great majority do so out of a genuine, deep-rooted fear that the grounds might be fished out and that the only workable method of safeguarding stock would be to give the individual nation some responsibility.

The first essential element in any acceptable agreement, as Mr Prescott and others said, is that there be an effective conservation system which equally affects our EEC countries internally and third countries such as the USSR, Poland and Norway externally, and involves control. The second essential element is priority for those communities which have the expertise and whose livelihood depends on their exercising that expertise. The Commission will not be politically able to persuade the United Kingdom to accept a system of sharing — which it is perfectly reasonable for it to seek to do — unless it can provide solid assurances that protect the fish and the fishermen.

I find myself attracted to the proposal of the Socialist Group, which offers the possibility of a balanced solution with conservation regulated by quota, historic rights protected and common regulations commonly applied.

**President.** — I call Mr Spicer.

**Mr Spicer.** — I want to say at the outset how much I welcome the way in which Mr Prescott proposed this motion yesterday. In my view, this is one of the rare occasions when we can speak across the floor of this House not carrying a party label but speaking in the interests of the fishermen of the Community. I am sure that we are all very grateful to Mr Prescott and the Socialist Group for having raised this matter in the way they have done.

I have the privilege of speaking for the South-West of England and, indeed, in common with Mr Gibbons, I represent those people whose livelihood depends upon the mackerel fishing areas of our Community. There are two problems that we face in the South-West, as elsewhere in the Community. The first relates to the establishment of the need for a 200-mile limit and the second relates to the question of what we in the Community shall do once we have that.

I personally was grateful to Mr Gundelach for his remarks yesterday about the establishment of that 200-mile limit. That is the question to which I wish to direct my remarks. I agree with the points made by Mr Fletcher and many of those made by Mr Prescott in their speeches last night and this morning. Our problems in the South-West, in terms of that 200-mile limit, stem from the outside activities of third countries. I spoke in the debate on 13 May and mentioned a figure of 63 000 tons for the Russian fishing fleet at that time. According to my information, at the moment that figure has more than doubled and could be in the region of 150 000 tons in terms of the operations of these fleets, working on a scooping-up basis.

The action needed for the South-West — for Ireland, France and the United Kingdom — is very urgent. I put the question to the Commission and the Council: can we take this decision? I hope that a decision will be taken about the 200-mile limit, willy-nilly, whatever the result of other negotiations that may take place internally. From January, who will carry the responsibility of enforcement at 200-miles? Here, I follow exactly what Mr Prescott said yesterday. Problems with third parties cannot be resolved by any individual member country of the Community. This must be the responsibility of the Community.

I hope that in the course of the reply to this debate we shall have some indication of the way in which policing is to take place. Mr Fletcher pointed to the need for individual Member States of the Community

**Spicer**

to be responsible up to the national limit to be agreed, but at that 200-mile limit problems will arise: between 200 miles and 50 miles — we hope that that limit will be established — there is no doubt that in the three or four months remaining the problem of reaching agreement with third countries, particularly Russia, Poland and Rumania, will arise. There will be a situation developing in which we shall be required to police that area with adequate facilities. I hope that in the winding-up speech we shall have some thoughts about that question of policing.

**President.** — I call Mr Molloy.

**Mr Molloy.** — In view of the fact that on some aspects of international fishing a situation has developed that is both absurd and highly dangerous, and of which all those involved ought to be ashamed, it can only reflect great credit on this Parliament that it is endeavouring to find a solution that will resolve a number of problems and that can ultimately only be to the benefit of all those involved — not only those in the fishing industry, but the ordinary people who regard fish as a contribution to their daily diet.

How can we find the ways and means to share an important element of food, as well as preserving and protecting supplies of fish, by the establishment of conservation zones which will ensure that supplies for the consumer and work for the fishermen will continue?

I should have thought that this was a sensible thing to try to achieve. Therefore, I believe that the Socialist paper that we are discussing will be a landmark in the history of this industry, which has been drifting into a dangerous situation. If we have the courage to pursue the broad aspects of what has been outlined in this paper it will be a good thing not merely for the Community but for the entire world.

What the paper seeks to do is, by sensible planning, to ensure a future for the industry on the one hand and the prevention of the extinction of fish on the other. In the international context the Socialist paper is bound to be a form of compromise, but it is a triumph for compromise over myopic nationalistic views.

There is one point on which I am sure all Members of this House will wish to concentrate. If we devise a policy with rules and regulations that are sensible for all, we must face the question: how are these rules and regulations to be enforced? Very often, good intentions and sensible desires collapse because we have not paid enough attention to the way in which enforcement can be carried out. It is crucial to study this aspect. Community policy, based on this paper, can achieve — it must achieve — a workable alternative to anarchy. I hope that the European Community will construct a practical policy, based on this Socialist paper, which will replace both narrow national views

and anarchical practices, a policy that is to the benefit of the trawling industries of our constituent States and to the people of Europe, and that will make a welcome contribution to feeding the hungry sectors of this world.

I believe, therefore, that we have an opportunity this morning, based on the broad outline of the Socialist Group's paper, to formulate a policy that will ultimately resolve all the difficulties and cancel out some of the absurd and dangerous practices that have been going on, to the benefit not only of the people of Europe but also of the hungry sectors of the world — a policy that will give us a guide as to how best to behave in a sensible and intelligent manner, how to eschew force and how to devise, by consultation, a set of rules which will benefit all those who are prepared and willing to accept and adhere to them.

I believe that this can enhance the status of this Parliament and make a contribution to those in the industry and those who believe that the industry can help not only Europe but the hungry sectors of the world.

**President.** — I call Mr Gerlach.

**Mr Gerlach.** — (*D*) Mr President, ladies and gentlemen, allow me first of all to congratulate the Council of Ministers and the representatives of the Member States on their excellent cooperation at the Law of the Sea Conference in New York. I hope that we shall also see this sort of cooperation between the delegations of the Member States of the European Community at the next talks. I also hope, Mr President of the Council, that you will exert your influence to ensure that the Council adopts a joint Community position on the problems which have been outlined to you yesterday and today.

I have grave misgivings about a statement yesterday by Mr Cointat that the sea could to some extent be used as a purification plant. It would be downright fatal if we were to take this line, for in my view unpurified sewage should never be discharged into the sea, just as the sea should not be used as a rubbish dump. We are concerned not only with the problems and preservation of the fishing industry but also with keeping the sea clean.

Mr President, I must confess that I adopt a somewhat different position with regard to my Group's motion for a resolution on the establishment of a new limit. We have the three-mile zone, which is being increased to twelve miles. We also have the 200-metre limit on the continental shelf. We are debating the 200-mile zone, which will probably have to be accepted by all concerned. Now, however, there is talk of a new 50-mile zone as well — something which I believe is not in keeping with the Community spirit.

I must express great admiration for Mr Prescott, who yesterday moved the motion for a resolution with

**Gerlach**

great factual knowledge and also tabled the question. I too can claim some knowledge, acquired in the course of close contact with the drift-net fishing industry over the past 20 years. I also realize that, although we have to deal with the question of rationalization, we unfortunately cannot ignore the fact that the fishing industry is in decline. We must therefore ensure that fishing industry workers made redundant are retrained for at least a similar job.

I also consider it necessary for us to deal with fisheries research policy on a Community basis. There are different approaches to this problem in the Member States, but I think it right and proper that we should concern ourselves not only with the management and conservation of fish stocks, but also with research.

Mr President, these few remarks are intended to make my position on this problem clear. It has been suggested that we should have another debate on these major questions; I would welcome such a debate, because I hope we would then be able to thrash out a Community solution instead of merely giving vent to differing opinions on various limits.

**President.** — I call Mr Shaw.

**Mr Shaw.** — I, too, welcome the opportunity of joining in this debate. I think that it is very well timed. A pattern of debate has already been disclosed which gives us the chance of showing our feelings and expressing our views and putting forward guidelines to the Council before it has its meeting. After it has had its meeting it seems clear that there will be an opportunity, at our next meeting, to discuss whatever comes out of the Council meeting. I hope that we shall be able to look favourably on what has come out of that meeting. I hope, also, that today we shall reflect some of the thoughts and opinions that have been expressed.

In the past we have always been anxious to harmonize our actions, as a Community, with the decisions of the United Nations Law of the Sea Conference, but since it has now once again failed to reach an agreement it is high time that we made some decisions of our own — some decisions that will help to preserve the vital interests of our fishermen, help to preserve the stocks of fish in our waters, help to preserve the future livelihood of those engaged in the industry and, not least, help to preserve a vital source of food.

Unilateral action by Iceland has already had a serious effect upon our distant-water fleets. We must try to do something to help those fleets as much as we can. But — and this is my particular interest in the matter — we must ensure that the inshore fleets are preserved and are not adversely affected by the influence spreading from Icelandic waters into the nearer waters. These inshore fleets are composed of small boats owned and worked by individual fishermen and their families. They are worked by men who know their coastal waters like the backs of their hands. They

know the breeding habits and requirements of everything that lives in those waters and they are completely involved, in their whole way of life, with fishing and the conservation of everything that lives in these waters. Therefore, we have a duty to see that the arrangements that we make fit in with the requirements of everybody engaged in the industry.

The views that have been put forward today provide a good guideline for the Council. In their minds and hearts, fishermen have very little confidence in quotas, because they have been so blatantly broken in the past. However, as Mr Fletcher said, if we seek to get agreement it seems that a way may be found along the lines of the licensing of boats.

In addition to that, it may well be necessary to have some form of quota system and, taking the two together, there may be a way to apply the system in the more distant waters.

As the basis of all our thoughts we must clearly have in mind conservation for the future. It is right for that to rank largely in our thoughts. I am bound to say — and I say it in all sincerity — that when we look at the nearer waters, the 50-mile zone, we readily accept that conservation is important, but I believe that it is not the only criterion. I am certainly not prepared to narrow down the 50-mile zone to a zone concerned solely with conservation.

The ideas put forward about control and supervision and the exclusive quality of the 50-mile zone must be examined and spelt out in very great detail. Above all, they must take a final form that will give confidence to the inshore fleets. I am not prepared to restrict this to conservation unless the control is spelt out much more clearly than has been the case up to now.

**President.** — I call Mr Nyborg.

**Mr Nyborg.** — (DK) Mr President, I welcome the Commission's first step towards a definitive fishing policy, both inside and outside the Community.

Since the USA, Canada and Norway will have 200-mile limits from the beginning of next year, we should take a similar decision, implement it and initiate negotiations as soon as possible — particularly with Norway and Iceland, which has already extended its limits to 200 miles. It is of vital importance to the entire fishing industry as such, to the employment situation etc., that we should begin these negotiations as quickly as possible. We must not forget that we have a sea inside the Community, known as the Baltic, which will naturally be an element in any negotiations. We cannot just wash our hands of these fishermen and say that their needs are of no consequence. I think we have a tendency to discuss too many issues simultaneously. I think that we all — and I emphasize 'all' — can agree on external fishing policy, the policy we adopt towards third countries. Furthermore, I think we could already have reached agreement on it today.

**Nyborg**

On the other hand, internal fishing policy is where the shoe really pinches, for there nationalism raises its head in earnest. The best illustration of that today is the unanimity shown here by Members like Mr Prescott, Mr Fletcher and Mr Spicer. On what other subject do you find them in agreement? It only happens when very special interests are involved. I think it would be an excellent thing if individual states would for once stop grinding their own axes and instead consider the Community interest.

It is essential that we dispel the uncertainty surrounding the fishing industry as soon as possible. Fishermen are living in a stress situation. They have no idea what tomorrow holds for them. Let us find solutions to their problems as soon as possible but let us also respect the conditions of free competition which operate in agriculture and in industry. Why should some people be given special treatment and have special advantages? It seems difficult to justify. I am afraid that Mr Gerlach, who is not here at present, may have misunderstood what my colleague, Mr Cointat, said yesterday about aquiculture.

I don't think Mr Cointat imagined that we would use the seas as dumping grounds to any great extent. He merely said that there were some waste products that could be very useful in the sea, in the same way as manure is used on land.

Mr President, as I said in the course of this brief contribution, I think that we should consider the problems individually, treating external and internal fishing policy as separate issues and finally turning our attention to the subject referred to yesterday as aquaculture, in which environmental problems will play a major rôle.

**President.** — I call Mrs Ewing.

**Mrs Ewing.** — I admire Mr Prescott's perseverance in this House. I have been a Member for only just over a year and it is largely through his efforts that we have managed to get fishing on the agenda, though not so often through the efforts of many other people. When I first came to Parliament, I felt that the House did not appreciate the urgency attached to the problems of this industry, but I am happy to say that the House seems now to appreciate this urgency and we discuss the matter regularly. I am sure that the Council must be grateful to Mr Prescott because we have been given a chance to have a good, practical, factual debate before the important meeting of the Council.

I also thank Mr Gundelach for his very clear statement yesterday about the external position with regard to the 200-mile limit. We hope to be able to go back to fishermen at home and say that the world of maritime nations, with the best brains, has met and solemnly decided that 200 miles is desirable in the best interests of preserving fish for the hungry masses

of the world. Since these are the ones who were told that in the year 2000 there might not be sufficient protein, it would be impossible to go back and explain that this Community does not appreciate that fact.

We are now discussing among ourselves how to deal with the 200-mile situation. I do not think that a Scot can ever quite command the eloquence of an Irishman: I thought that Mr Gibbons put the points on behalf of the inshore fishermen better than I could.

I associate myself with all that Mr Fletcher said. As a fishing MP and a member of a small party, most of whose members are fishing MPs, I have, following discussions with the official spokesmen of the Scottish associations of various types, the authority to say that we associate ourselves with the point in the resolution of Mr Prescott, including the most legendary figure perhaps in Scottish fishing officialdom — Dr Lyon Dean. I can say that officially here.

There is a moral question involved. It is the question of the hungry world and the preservation of fish. There is another series of moral questions for the House. I was most interested in Mr Prescott's comment that the reason for the 200 miles was that the best brains in the world from the maritime states recognized that the only way to conserve was to give a substantial coastal-state preference. In other words, they have faced the facts. It is the coastal states that have an interest — if you like, selfish but also moral — because they wish the fish to remain in the sea, as it is their way of life, not for the one generation but also for the next generation. One must ask oneself, if one does not agree with Mr Prescott's resolution, why the best brains at the Conference on the Law of the Sea came to the conclusion that a coastal-state preference was a moral matter based on information received.

There is another moral question that I pose to the House. I serve with great interest on the Committee on Regional Policy, Regional Planning and Transport. There we see a genuine effort made to generate sources of wealth — to create jobs, to create something new in areas which are depressed. It would be very illogical for the House to say, 'We must go on doing that, but let us look at certain regions which are not depressed, which are very satisfactorily continuing an arduous, courageous and dangerous way of life happily and not asking the Community for anything beyond the right to go on living'. It would be illogical to go on striving in the Community, on the one hand, and talking about what we are doing for the regions which we are trying to build up and help, if at the same time we allowed a situation where many regions in the British Isles — that includes Scotland, my country, Ireland, and England, too — which are very prosperous, were not asking the Community for help. However, if they are not allowed to have what the

Ewing

world is accepting as normal, a situation will arise, whether you like it or not, in which the Community will seem to the fishermen to have destroyed their way of life.

I pose this question to the House: how can I go back and explain to these people, wherever they come from, that you could turn this resolution down? If we were all suddenly magically transformed into fishermen from our various countries, be we Scots, Irish, Danish, German or whatever, I am certain that we would agree with this resolution and identify ourselves with my speech.

**President.** — I call Mr Kavanagh.

**Mr Kavanagh.** — When the Socialist Group met in Copenhagen last week to discuss the very excellent document prepared by John Prescott and Manfred Schmidt concerning the group's attitude on the law of the sea, much of the discussion centred on the creation of exclusive economic zones for the Community and the EEC fisheries policy.

During that debate I mentioned the disastrous situation now existing in the Celtic Sea area of the Community, where there is gross over-fishing, with a resulting depletion of fish stocks. Under present arrangements the end of the fishing in this area is clearly in sight. More and more pressure is coming to bear on these waters as world stocks decline and the extensions of exclusive fishing limits elsewhere are forcing tremendous degree of fishing capacity in this direction.

Already the Atlantic extension has seriously hit the European distant-water fleets. Many of them are now tied up through lack of stocks. The room for manoeuvre will be even more drastically limited from 1977 onwards. Mexico has already extended to 200 miles and the United States of America, Canada, Norway and a host of South American and African countries are expected to do likewise.

The oil crisis, too, has struck a blow at the distant-water vessels. The cost of operation has risen to such an extent that there is now a massive move towards scrapping such boats. Some of our EEC partners, through indiscriminate catching methods and over-capacity, have fished out their own waters and are now left with huge fleets unable to make a return on their investment.

Our experience of present international agreements and the machinery established for conservation generates no confidence for the future. I believe that the performance to date of the North-East Atlantic Fishery Commission is concrete evidence of the ineffectiveness and susceptibility to political pressure of such organizations.

Exclusivity is the only solution to the problem of gross over-fishing and to the preservation and conser-

vation of stocks. With that in mind I proposed an amendment to the group in Copenhagen last week which read: 'The Socialist Group believes that a minimum limit of 50 miles is essential. In this way the coastal state can ensure most effectively that there will be no exploitation of fishing resources and, consequently, restrictions of fishing stocks.' This was accepted by the group.

The Socialist Group is, to my knowledge, the only group to react to the present emergency in the fishing industry in this way and to demand a radical change in our approach to this urgent problem.

In putting forward this resolution today the Socialist Group does not go as far as I personally would wish and certainly not nearly as far as the demands of fishing interests in Ireland, England, Scotland and Wales. However, if the House accepts the motion for a resolution it will have accepted the principle that coastal states should have the responsibility for conservation of fishing stocks in zones of up to 50 miles around our coasts.

I suggest once again that the application of fishing quotas, no matter how generous they may be to certain peripheral areas, is not the answer to conservation, but I can lend my support to what I can only describe as a compromise to group policy in this area because of the acceptance of exclusivity in the resolution.

Finally, the potential of the fishing industry is still enormous and, indeed, could be everlasting, and although it may not attract the same glamour as oil and gas exploration it is, in my view, a far more valuable resource in the long run. Given the proper management and control which are suggested in the motion for a resolution, the contribution which fisheries can make to the Community is infinite. I earnestly hope that the House will adopt the resolution.

**President.** — I call Mr Schmidt.

**Mr Schmidt.** — Mr President, I am speaking for myself and not on behalf of my Group. I am very glad that a motion for a resolution has been tabled, and I should like to express my own particular point of view on this matter.

I wholeheartedly support what Mr Gundelach said yesterday, namely that it is absolutely essential for the Commission to receive a negotiating brief as soon as possible, so that it can negotiate with the other countries over fishing rights. It is quite clear that this will only be possible if the Community declares its own 200-mile zone. I have had the opportunity of speaking to the Prime Minister of Iceland, and that country will not be extending any of its agreements with Member States of the Community — neither the one with the United Kingdom, which expires at the end of this year, nor the one with Belgium, which expires in June next year, nor the one with the Federal Republic of

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Germany, which expires at the end of October of next year — and will in future only be concluding agreements on the basis of reciprocal fishing rights. If we do not introduce a 200-mile zone of our own, the Commission will not have any adequate basis for effective negotiations with either Iceland or any other countries.

It is therefore most welcome that the first three paragraphs of the motion for a resolution call urgently for the Commission to be given a negotiating brief. It is late enough as it is. The Commission cannot be blamed — it has taken every opportunity to conduct at least exploratory talks, but it has not yet got a negotiating brief. We note time and again that neither the Commission nor Parliament is responsible for the difficulties facing Europe, but that these are repeatedly due to the Council's acting either too late or not at all.

I should also like to comment on another paragraph, No 4. I personally do not think we should accept this paragraph. Mrs Ewing wanted to wave her magic wand and turn us all into fishermen, in the belief that we would then all agree to this paragraph. That might well be the case if she turned us into Scottish, English or Irish fishermen, but there are other fishermen as well — Germans Danes, Belgians and Dutch — who would not agree so wholeheartedly.

The situation as I see it is this: we will accept a 12-mile exclusive zone. It has been said time and again, however — you only need to listen to Mr Shaw or Mr Kavanagh speaking — what the 50-mile zone is all about. These 50 miles are proposed as an exclusive zone. It is, however, quite possible to keep others out under the pretext of protecting the fish. The United Kingdom, in particular, must be familiar with this kind of thing. For instance, Iceland originally said that it could not let other people fish in its grounds because this would lead to over-fishing. Today, as a result of this ban, fish production in Iceland has increased. The Icelanders are now taking more fish from this area on their own than others took in the past. I am therefore extremely sceptical about the introduction of a 50-mile zone, supposedly to protect the fish. Is it necessary to protect the fish only within the 50-mile zone, or is there not a duty to protect existing fish stocks everywhere, not just within the 50 miles?

We think that this 50-mile proposal is a red herring, so to speak, to cover up the possible introduction of an exclusive zone after all. I would just refer you to Mr Kavanagh's views.

I must therefore make it plain that I will vote against paragraph 4, because I think that the aim of this paragraph is not to find a Community solution and that it is based on the assumption that there will be certain preferential rights for each coastal country. In my view, this would not be good for the Community.

**President.** — I call Mrs Kellett-Bowman.

**Mrs Kellett-Bowman.** — I should like, first, to extend my warmest thanks to Mr Lardinois and two of his senior colleagues for spending more than an hour yesterday discussing with my Fleetwood trawlermen their deep anxieties on this subject. I am in agreement with all that Mr Fletcher, Mr Gibbons, Mr Shaw, Mr Spicer and Mr Kavanagh said. I am also in agreement with several points of the resolution before the House, but certain aspects of it I regard as unacceptable. These unsatisfactory aspects we in the Conservative Group seek to remove by our amendments.

The main points with which I disagree are as follows. First, paragraph 4 should be amended to give control not merely of conservation but of all aspects of fishing to the coastal state up to a limit of 50 miles, as stressed by Mr Shaw. This would mean that the state's fishery protection vessels and, if necessary, its navy would be able to take action against any vessels poaching or otherwise infringing regulations in the 50-mile zone. After all, if there is a licensing system, it is the trawler skippers on the spot — who are experts in every aspect of fishing and conservation — who will know who should or should not be there and who is and who is not committing an infringement of any regulation. They can alert their own protection vessels to take action. Anyone caught poaching should be given no second chance but should lose his licence immediately and permanently.

Secondly, it is to a large extent the over-exercise of historic fishing rights which has led to overfishing, the serious depletion of fish stocks and the ruination of spawning grounds. Therefore, I am opposed to the final part of paragraph 4.

Any system of licensing must include the licensing of gear. That means that 'Hoover' ships must be banned.

Time is desperately short for the United Kingdom deep-sea fishermen. It is vital that action be taken immediately after the Monday meeting of the Council and completed before 1 December to remove the threat of loss of livelihood which hangs over our trawlermen who fish in Icelandic waters. Before June there were 22 Fleetwood trawlers fishing in Icelandic waters; now there are 10. If action is not taken immediately, how many will there be by 1 December?

**President.** — I call Mr Stewart.

**Mr Stewart.** — I do not begin to claim the knowledge of fisheries possessed by many Members, but I do claim some experience in the making of international agreements. I commend the resolution to Parliament because it contains the hallmark of a good international agreement.

First, it does not give to any one state the whole of what it would like to have. It has been pointed out, rightly, that British and Irish interests might appear to

**Stewart**

be better served by talking in terms of 50-mile exclusive zones, but we all know that it is neither good sense nor good morals to make a heroic stand for the national interest knowing that in the end we shall not get what we want and will have offended our partners in the negotiation in the process.

Secondly, although the resolution does not give to any state exactly what it wants, it does not impose an intolerable injury on the interests of any state. Any one of the Nine nations could alter the proposal in a way that would help it, but we can none of us contend that the injury done to our national interests by the proposal as it stands is a vital or intolerable injury.

Thirdly, the resolution is not a bogus agreement which appears to reach agreement by dodging the awkward points. That is the significance of paragraph 4. We are here dealing with a difficult point. Simply to leave out paragraph 4 would turn the resolution into a bogus agreement that papered over the cracks. In paragraph 4 we state that what is wanted is agreement on the basis of a Community-agreed system. I ask those who have said that the paragraph is not Community-minded enough to consider that. Being Community-minded does not mean that we can pretend that every one of the Nine has an exactly equal interest in each topic. We know quite well that in everything that the Community debates, some of the Nine will have a special interest, and the art of keeping the Community going is to find out how much concession each can make without wrecking the concept of the Community itself.

The Liberal speaker Mr Kofoed said that we must respect old customs and see that there are enough fish. He will see from the wording of paragraph 4 that that is exactly what it proposes to do through a Community-agreed system.

The fourth hallmark of a good international agreement is that it has regard not only for the interests of the parties making the agreement but for the common interests of mankind. That is why there is emphasis on conservation. The kind of agreements that stand the test of time are those in which the parties look a bit further than the ends of their noses.

The fifth mark of a good international agreement, more commonplace than the rest but essential, is that it is administratively practicable. Mr Prescott pointed out, and I expect he will emphasize again, that the twin concepts of responsibility of the coastal state and the licensing of boats mean that the agreement can be made to work. It has, therefore the five hallmarks of a good international agreement.

I ask every Member of Parliament of whatever country or party to put to himself this question: Can I imagine Ministers agreeing with something that would be better than this? We can all draft an agreement that would please the British better, the Germans

better, and so on, but there would be no chance of Ministers agreeing on it. I repeat, can we imagine Ministers agreeing on something we felt was better than this? I doubt whether we can. Surely, therefore, it is our duty to lay these guidelines before Ministers. Parliament cannot as yet make laws, but it can point the way and, because of the coincidence of the calendar, it has the best opportunity to do it now. We must take the opportunity. That is our duty both as parliamentarians and as Europeans.

**President.** — I call Mr Howell.

**Mr Howell.** — First, I congratulate Mr Prescott on his motion for a resolution. He has done a great service already in initiating a debate. If Parliament gives approval to the motion for a resolution, this will go a long way to restoring confidence, especially that of inshore fishermen. I am particularly attracted to that part of the motion for a resolution which calls for quotas and a licensing system. I believe that this is practical and realistic. I also know that it has the full support of many of my colleagues, including Mr Fletcher. When worked out, it would be a satisfactory way of dealing with this very difficult problem.

On the North Norfolk coastline, we have already benefited from measures which were taken for conservation prior to our entry into the Common Market in 1973. The measures have proved most effective and beneficial to the North Norfolk fishermen and this part of our policy should be pursued.

It is most important to have adequate policing arrangements. I make a plea that urgent attention be given to the way in which we police any measure we take, so that joint Community policing arrangements may be established.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Member of the Commission.** — I can be brief, not out of disrespect for the unique importance of the subject which has been debated, nor out of disrespect for the many valuable contributions which have been made during the debate, but because, on the external issues of the fishing policy which I was called upon by Parliament and through the questions tabled on the Order Paper to answer, I have found myself in almost complete accord with the speakers. I therefore take the opportunity to express my gratitude to the House for the support it has given the Commission in demanding a decision on the establishment of a 200-mile zone from 1 January 1977 and on the establishment as quickly as possible of a mandate for the Commission to negotiate with our international partners, with priority naturally being given to those whose problems are most pressing. They were specified in my speech, and nobody has quarrelled with my comments. I am grateful for the support that has thus been given.

### Gundelach

I disagreed with Mr Prescott on the need for convening a conference of the Community and the Council of Europe. I note that an amendment has been tabled to call a conference of the Ministers of the Community. In many ways that is worse, because it seems to indicate that the fishing policy is not a Community matter. Here I must protest most strongly. The fishing policy externally and internally is a Community matter and, as such, will be dealt with in Community institutions—Parliament, Commission and Council—and not by some new trick of institutions which gives a feeling that this is not a Community but a national problem in one way or another. We need no such conference. I beg Parliament to reject that in whatever resolution it decides to adopt.

In my speech, I also underlined—and it has not been challenged by any speaker in the debate, about which I am happy — that, taking the agreement with Iceland, we are not renegotiating the existing British agreement or the German agreement; we are replacing these bilateral agreements with a Community agreement. If Parliament decides to adopt the resolution, for the sake of clarity and for the sake of our partners, who will otherwise be confused, I ask it to amend a few words in paragraph 3. If that is not done, even greater confusion will be caused rather than help being given, and all the speeches of Members of Parliament in this regard have been helpful.

There was a query on one point which basically led to what comprised the bulk of the debate — namely, the internal aspects of the fishing policy. This was not, in fact, on the agenda, although I can understand why Members raised the matter. However, in my view we must be very careful in the future, while recognizing a link between the two, to have some order in our thoughts so that we know what we are discussing at any given moment. I wish to call upon my friend and colleague, Mr Lardinois, to answer the questions raised about control.

As to the link which obviously exists between these two aspects, it is for that reason that the Commission has put before the Council a consolidated paper dealing with both aspects.

I want once more to take up the theme that we are dealing with a Community issue and to bring this home to Parliament. We shall have a very great and difficult task ahead of us in negotiating acceptable agreements with our partners outside the Community. As many speakers have said, we shall have a great task ahead of us in controlling and policing those waters. Does anybody in this Chamber believe that the task can be solved by any single nation acting on its own? No! this can be done only if it is done on behalf of a Community which shows solidarity in its fishing policy. Therefore, if the internal fishing policy is some makeshift of national policies and not a proper

Community policy based on the concept of 'solidarity', which is the key word of our Treaty, there will not be the solidarity necessary to face the outside world and we shall not be in a position to defend our fishermen against trawlers and big fleets coming from third countries. I therefore beg Parliament to be careful when debating the internal side. Do not forget that, if we do not show Community solidarity on the internal side, we cannot expect to do so on the external side and then we shall fail in the important task of defending our fishermen. Control there must be, but the control will be by the Member States on behalf of the Community and within a Community framework, not for 50 miles, but for the 200-mile Community waters.

*(Applause)*

**President.** — I call Mr Lardinois.

**Mr Lardinois, Member of the Commission.** — *(NL)* Mr President, I still owe Mr Cointat a reply. Yesterday he brought up the question of aquaculture, which the Bureau of the European Parliament has now combined with today's subject, namely the new fisheries policy as a whole.

As I said a month ago, we believe that the question of aquaculture will be of increasing importance in the next few years, owing to the need to exercise much stricter control over fisheries and to pursue a much more deliberate conservation policy. The aim of this policy is to achieve a considerable reduction in the total yield of traditional fisheries in the next five to eight years, as compared with the over-fishing that we have had in recent years. In this context, it was not unreasonable for the Bureau to decide to combine Mr Cointat's question with the debate on fishing policy. I quite agree with Mr Cointat that this question is of considerable importance, for consumers as well, in that it provides a way of making up for the extra shortage caused by a deliberate conservation policy. His words of encouragement have not fallen on deaf ears.

The Commission already gives grants on an *ad hoc* basis for new developments in this sphere. In my opinion these operations could become one of our priority areas. I also think that we must in fact take measures in the very near future to increase fish supplies, by means of aquaculture among other things.

I should now like to say something about various aspects of our internal policy to which considerable attention has been given by most speakers in the House this morning. I agree with those who think that fishing has become an emotional question in most Member States, partly on account of developments in the fisheries sector over the past few years. Although I am not of the opinion that emotions should always be suppressed, I think that at present I must weigh the arguments against one another as



## Lardinois

coolly as possible and must not allow myself to be swayed by emotional considerations.

I am grateful to Mrs Kellett-Bowman for her remarks to me. Indeed, hardly a week goes by without my receiving delegations of fishermen from various Member States, not only in connection with this debate, but also during my visits to the various Member States. At the weekend I had the pleasure of discussing this question with a large delegation from Ireland. I am also grateful for the discussions I had yesterday with a number of British fishermen, mainly from Fleetwood.

These fishermen's livelihood could indeed be threatened by a new Community policy. We must, however, start from the assumption that in future there will not be room for all the fishermen who at present gain their livelihood from fishing. It must be understood that under the new policy sacrifices will be demanded of everyone. And the sacrifices demanded must be fair. It goes without saying that every group of fishermen thinks the necessary sacrifices should be made primarily by the others.

It is no use approaching this question from a purely national point of view. I quite agree with Mr Stewart that that way we would be doomed to failure from the outset.

As time goes on, fishermen in the Community realize more and more that fishing is a Community matter. That is why they come to us, travelling sometimes long distances, and contribute so vociferously to the discussions.

I think that this morning's debate has contributed to improving mutual understanding in this complex field. I also think that while the present motion for a resolution does not offer a solution it does contain a number of elements which constitute the beginnings of a way out of the stalemate that reigned in this sphere until recently.

On the other hand, I believe that it is still too early to ask Parliament to give a final opinion on this complex subject. It was, after all, only a fortnight or so ago that the Commission put forward its proposals. For many people these are highly complex. In my view Parliament should indeed instruct its competent committees without delay to make a thorough study of this whole question. An examination of the document shows that the Commission proposes fishing quotas for each Member State. In order to fish, fishermen will have to have licensing agreements. We shall also propose reserved fishing zones and we shall propose that the Member States should be primarily responsible for control in the waters closest to their coasts.

On this last point, however, we do not wish to make any distinction between control in a fifty-mile zone and that in a two-hundred-mile zone. In our opinion the Community should see that control is exercised

by the coastal State not only within a 12-mile zone but also in the zone between 12 and 200 miles. But clearly there should be a distinction for control purposes between areas with large quantities of fish and areas with practically no fish. The way in which paragraph 4 (d) of the motion is at present expressed could cause confusion. Everyone can make of it what he likes; it might be supposed that this wording satisfies the demand for setting up a sort of exclusive zone of 50 miles, a kind of additional national coastal zone, whereas in fact it is simply a matter of control. The Commission is to propose extending control, not restricting it to a particular strip along the coast.

Mr President, I think that this debate has been fruitful.

It has contributed to our being able to get away from the stalemate positions we have had in various Member States up to now. However, I think it is still too early for Parliament to take up a definite position with regard to internal policy. There is in fact much more involved here than has been discussed today. The subject is also sufficiently important to have it debated in all the competent committees before Parliament gives its final opinion.

*(Applause)*

**President.** I call Mr Brinkhorst.

**Mr Brinkhorst, President-in-Office of the Council.** — *(NL)* Mr President, we have had a lengthy debate on a question which is going to occupy the Community frequently in the coming months. Various speakers have already said that since the Council has yet to take a decision on these questions it cannot be expected to respond very much at the moment. This goes without saying; I shall thus exercise great restraint and speak only partly in my capacity as President-in-Office of the Council.

The first essential point seems to me to be that priority must be given to safeguarding the unity of the Community with regard to the whole fisheries question. There is also, I think, complete agreement in this Parliament on the need to preserve this unity vis-à-vis the outside world. Accordingly, various speakers congratulated the Community on the united front it presented at the Law of the Sea Conference in July and September this year, despite the fact that in June, when I first attended a debate on the Law of the Sea Conference, there still seemed to be great differences of opinion.

I agree, in fact, with Mr Lardinois that as far as the external problems are concerned the stalemate has partly been broken and that a certain degree of unanimity has been achieved. However, one swallow does not make a summer. We are not there yet. This question is still surrounded with a great deal of tension. It is thus not for any idealistic or abstract 'European' reasons that I say that Parliament too must

**Brinkhorst**

beware of weakening the link between presenting a united front in external affairs and acting in unison in internal affairs.

Naturally, a great deal is at stake for everyone — both the coastal and the landlocked states. The connection I just mentioned, however, is of prime importance if we are to act together to find a solution to this problems.

While we realize that the 200-mile zone, which is now a *fait accompli*, is of great importance for some of the Community countries, these countries must also realize that this zone is only of interest to other Member States if it is part of a real Community policy. It is precisely this source of tension that will have to be given careful attention in the coming months. That is why I endorse two important points made by Mr Prescott. He spoke of the importance of the 'heritage of all mankind'. I do not think these were hollow words; this is an essential point, particularly in view of the need to conserve fish stocks and the importance of this for future generations. And this 'heritage' of all mankind clearly demands a large measure of solidarity in the Community in order to ensure the conservation of fish stocks.

Mr Prescott also spoke of the need to reach compromises. Mr President, I am among those who believe that in politics 'compromise' is not a dirty word. It means being able, despite starting from divergent points of view, eventually to reach a common denominator in order to achieve concrete results in the interests of all.

I hope it will be possible to ensure that this vital debate at the end of the 20th century, on the question of whether or not sovereignty can be claimed, does not turn out in the same way as the 17th-century-debate between John Seldon, who talked of the *mare clausum*, and Grotius, who talked of the *mare liberum*. These conflicting and indeed mutually exclusive views ultimately led in the 17th, 18th and 19th centuries to tension, discord and great rivalry between the states which now make up the Community. I call on Parliament to realize that if we are to deserve the name Community we must find different forms of approach and different solutions to our problems than those adopted in the 18th and 19th centuries. The Community is faced with a particularly important challenge. On 18 and 19 October the Council will have to get down to discussing this, which in my opinion is of great importance not only for this particular field but for many other fields as well; it could well largely determine the future. For the moment I can merely affirm that we shall do all we can to achieve a balanced decision. The Presidency has only limited possibilities; it is no super-power within the Community. I am the first to admit this. The Presidency does, however, do its best and I am particularly glad to have been able to attend this interesting debate in this House.

(Applause)

**IN THE CHAIR : MR BERSANI**

*Vice-President*

**President.** — I call Mr Prescott.

**Mr Prescott.** — I find myself in a somewhat difficult position. There have been almost 20 speakers in the debate, who have made substantial points. The Commissioner, in the last 15 or 20 minutes, in replying to the debate, had a privilege that I do not think I can take in my reply, in view of the time. I hope that my colleagues will accept that I cannot answer individual points made in speeches. I shall try to deal with each point by setting out the general principles of the arguments presented. I thank those who have made kind remarks about me.

The debate has reflected concerns of almost a national character. Some speakers, however, have expressed a desire to achieve a European solution. I find it somewhat ironic, as a person who had to be lectured about the unity of Europe when I arrived here, that today I have been almost trying to teach those who have lectured me in the past that we have to find a European solution to a European problem. I have never doubted that that is what we have to do.

We clearly need to find agreement on policy. The debate has reflected that concern. Without agreement on a new policy, quotas will continue, conflicts will increase, and we shall have the worst possible policy for everyone concerned— for the industry, for the fishermen, for the nations in conflict, and for the consumer. If we look at the price of fish today, it cannot be said that the present policy is defending the consumer. We must do something to change that policy.

The Commission has made clear its proposals. I can understand the Commissioner saying, 'Send it to the committee; don't you politicians get in our hair while we are making decisions.' But this House must decide whether it is to be a decision-maker or just a passer of opinions on proposals from the Commission.

(Applause from certain quarters on the left)

On this occasion we have to make decisions. The issue this morning concerns the responsibility of this House. The proposal by the Commission has been bitterly rejected by two or three members of the Community. That means that we cannot reach an agreement on that formula unless it is forced down the throats of those who disagree. That is not likely to happen. We have to find some kind of formula. Mr Gundelach suggested that we should separate the internal and the external problems. If he does not agree with that, perhaps I misunderstood him. But we cannot negotiate with third-party countries until we have a clear idea of our own internal policy. That is

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why, under paragraph 4(d), it is crucial to reach agreement. We cannot separate these two vital functions.

In our resolution we, as a Socialist Group, have presented a formula. My group is not united; we have national differences. I represent one of the largest fishing constituencies, and I have to sell an agreement, which is a difficult thing to do. I have to tell my people that we must have an agreement. Denmark does a lot of fishing in our waters, and I must tell my people that she must have access, because of historical rights. Equally, we must convince others that our fishermen must be protected with regard to declining stocks. Those are two arguments on which we must reach agreement. Speeches today have reflected the concern that is felt about this in various quarters.

The Commission's proposals do one thing: they propose a change in this policy by extending the limit from six miles to 12 miles. The issue is not whether to defend the old policy; it concerns the nature, degree and type of change of the new policy. It is not the old against the new; it is all a question of the new policy. We suggest that the Commission's proposals do not go far enough. We are in negotiating positions, and certain people in their speeches have reflected those positions. Every one of us, as a politician, recognizes that. What we have to do is to find an acceptable compromise that is fair and just to all those involved in the conflict.

The Socialist Group is agreed on some things but not on others, but we have compromised on our difficulties in order to find an agreement.

I take this opportunity to say that I do not propose to move the resolution separately. I shall do so in this speech, so as to save the time of the House. Most speakers have been concerned with paragraph 4(d). Everybody agrees that we have to have fishing quotas. They had them before in the Community. They are not new. Secondly, we have to limit the fishing effort. That means that we must license trawlers to fish in permitted areas. That is an important conservation point. If any trawlerman breaks these agreements — and many have done; fishermen of every nation — he will lose his licence. He will do so if he breaks the net regulation or if he takes out too much fish.

Here is the beauty of our solution as regards conservation policy. Under this agreement we shall make every trawler skipper the policeman on the beat, because he will know what trawlermen who are in the area are entitled to be there and those who are not entitled to be there. It will be in his interest to report the rogue trawlermen who reduce the quotas. That is a contribution to conservation.

The reserve zone is the Commission's proposal to which it will agree. It recognizes the problems of peripheral regions which have great difficulties. That is a principle that is acceptable even in the Commission's document, and there is the recognition of 12

miles — hallelujah! There is no difference between us on that.

The final part of subparagraph (d) causes the consternation. What are the arguments? We have heard from some speakers that an exclusive area is desired. It must be admitted that it was agreed at the Conference on the Law of the Sea that an exclusive area is the only way to conserve fish. I understand that as much as anybody does. I have said it often enough in this chamber.

The other one is the argument about free access. Those two positions are not acceptable to all the nations: an agreement cannot be secured on them: we must find a formula somewhere in between. The fears we have to assuage are those of those nations which want to get as much fish for their industries as possible. The quota, the total allowable catches, must be negotiated through the Commission, which will have the responsibility for the matter. That means that the amount of fish taken out of any area of Community waters must be decided unanimously by the Community, so that those nations have a decisive say on how much fish is involved.

We must assuage the fears of fishermen in countries which fear that once quotas are established people will ignore them and fish out. We give the responsibility to the coastal state for conservation work with the Commission. The fish that is taken out is an assurance and a guarantee to those who do not have that control, and the control vested in the coastal state is an assurance to the fishermen of the coastal state.

I finish on those points. It is a very difficult formula. We have tried to take that into account. It will be seen that it is an essential compromise. The points that I have tried to make are key to this. The amendments deal with some of the points.

I now officially move the motion and hope that the House will accept it. The reason for the urgency—I put this to you as the reason why we should vote, Mr President—is that next week the Ministers meet. The Commission has made its proposals. The attitudes of the nations are reasonably clear.

If the matter had been referred to a committee, we should again have been commenting on past decisions and the Commissioner would have been thanking us for a useful debate. If you only want to be useful, do it that way. However, if this Assembly wants to be an effective Assembly that makes political decisions, and wants as an international assembly to say, 'We know that there are international problems, but we will strike out for an international solution', let it today say that it is not a talking-shop but is an Assembly that wants effectively to take decisions. If it does not do that, it is worthy only of being a talking-shop and of having 'useful debates'.

*(Loud applause)*

**President.** — To wind up the debate, Mr Prescott, has tabled, on behalf of the Socialist Group, a motion for a resolution (Doc. 354/76), with a request for an immediate vote pursuant to rule 47 (4) of the Rules of Procedure.

The being no objections, the request for an immediate vote is approved.

We shall now consider the motion for a resolution.

I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

On paragraph 2 I have two amendments :

— Amendment No 5, tabled by Mr de la Malène, Mr Cointat, Mr Blumenfeld and Mr Vandewiele :

In this paragraph, delete the following :

'concerning the British fishing agreement which ends on 30 November;'

— Amendment No 4, tabled by Mr Gibbons :

Add the following to this paragraph :

*'... on 30 November, and further calls for immediate negotiations with East European states — whose fishing methods are seriously depleting fish stocks — leading to their early withdrawal from Community fishing waters.'*

I call Mr Vandewiele to move Amendment No 5.

**Mr Vandewiele.** — (NL) Yesterday we were asked, by the Commission as well, not to get involved in too much detail but to keep to the general aspects.

We want to stress in this resolution that negotiations are being conducted between the Community and third countries. We appreciate that 30 November is a very important date for Iceland, but we urge the House not to go any further than giving a clear statement of the general principle.

**President.** — I call Mr Gibbons to move Amendment No 4.

**Mr Gibbons.** — I submitted this amendment, which I think should be acceptable to the House, to draw attention to the acuteness of the problem of excess fishing on the part of non-Community fishermen.

**President.** — What is the rapporteur's view ?

**Mr Prescott.** — The first amendment deal with the British fishing agreement ending on 30 November. We were concerned to highlight that in order to get negotiations going, because the German agreement expires 12 months later, but it does not alter the force of our point. Mr Gundelach says that it is a Community agreement he is handling. I utter one word of warning to Mr Gundelach. He may not finish a Community fishing policy in time to get an agreement with Iceland. That is what we want him to exercise his mind about. He may have to find an agreement along bilateral lines. But we will accept the amendment to take that reference out.

As to the amendment of Mr Gibbons referring to the East European nations in the context of our negotiations with third countries has been made clear that the Commission is hoping to get its negotiating mandate next week from the Council of Ministers. If we put that into our resolution we shall heighten the differences and conflicts and nations will find that the House differentiates between agreements. This is the very opposite of the amendment I have just accepted. Here we are just saying it is the East European nations, which might well say, 'As Sweden has no reciprocal agreements on fishing, why should you not name Sweden'? I hope that the House will reject this amendment, the first one having been accepted.

**President.** — I put Amendment No 5 to the vote.

Amendment No 5 is adopted.

I put Amendment No 4 to the vote.

Amendment No 4 is rejected.

I put paragraph 2 thus amended to the vote.

Paragraph 2 is adopted.

On paragraph 3 I have Amendment No 6, tabled by Mr Fletcher on behalf of the European Conservative Group :

This paragraph to read as follows :

'3. Calls upon the Commission to take the initiative in calling for a conference of Ministers from Community Member States;'

I call Mr Fletcher.

**Mr Fletcher.** — I am happy to explain to Mr Gundelach that the purpose of the amendment is to ensure that the Community in the first instance will make its own decisions and not try to enlarge the problems by increasing the number of those who are involved in the process of establishing a new fisheries policy. The amendment is not intended to take away the decision from the Council of Minister. It is intended to encourage the Commission to press the Council for a decision.

**President.** — What is the rapporteur's view ?

**Mr Prescott.** — The result of replacing paragraph 3 by the amendment would be that the nations would get together and discuss matters, which is what already happens.

There is no doubt that the Community is discussing these matters. For example, it is doing so next week. In that sense there is not much point in the amendment.

I take Mr Gundelach's point. Although I do not think that this argument is justified, he made one good point. If we leave the resolution as it is we shall confuse the issue. We should be referring to all our European neighbours and the land-locked nations in the Council of Europe. To speak of the fishing nations and to say that the EEC does not have a

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fishing policy because Luxembourg has no fishing fleet is hardly an argument.

I should like to move an amendment. Instead of referring to Ministers of the Community Member States and our European neighbours in the Council of Europe, I am prepared to refer to 'some' of our European neighbours, because that wording could be made specific to fishing. In the context of the resolution many problems that affect other nations socially and politically will arise out of whatever agreement comes from the Law of the Sea Conference. We are prepared to accept 'some of our European neighbours', since this would leave flexibility to those who convene such a conference.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Member of the Commission.** — This question is of some importance as it is executive. It concerns the way in which we shall carry out negotiations which everyone in the House agrees are concerned with a matter of urgency. The first text tells me that I shall convene a conference of the Ministers of the Member States of the Community and the Council of Europe. As I said yesterday, the Council of Europe does not deal with this problem. It has landlocked countries ...

**Mr Prescott.** — Iceland and Norway.

**Mr Gundelach.** — ... I should go to a meeting of 25 governments in the Council of Europe and have an opportunity to talk with Iceland and Norway, with which we already have day-to-day relations. That is the most complicated way of doing it. I beg the House not to complicate the task of the Community institutions by introducing new methods of this kind. Be it a joint meeting of the Council of Europe, be it a special meeting of the Council of Ministers, the Ministers are meeting next week and will go on meeting. We do not need a special paragraph in a resolution to ensure that.

Mr Prescott's last proposal will not advance our negotiations with third countries. It would entail calling a conference of Ministers of the Community and unspecified third countries. It would be difficult to figure out who should participate in the conference and what subjects should be on the agenda. We all know how difficult it is to organize conferences of that kind. The House is pressing the Council and the Commission to get on with this work. Let us get on with it without this sort of circus. I earnestly ask the House not to adopt the paragraph if it wishes to be consistent.

<sup>1</sup> (Applause from the centre and from the right)

**President.** — I call Mr Fletcher.

**Mr Fletcher.** — We are happy to withdraw Amendment No 6 if that would be helpful to Mr Gundelach.

**President.** — Amendment No 6 is therefore withdrawn.

I call Mr Alfred Bertrand.

**Mr Alfred Bertrand.** — (NL) Mr President, after Mr Gundelach's statement drawing attention in no uncertain terms to the confusion which could arise even from the original text of paragraph 3, I should like to urge Mr Prescott to delete the whole of this paragraph from the motion for a resolution. This paragraph does nothing but create endless confusion. If we press for a conference of Ministers of the Member States, we are going over to an inter-governmental solution, while the question, seen from a Community point of view, is one of agricultural policy and can thus be dealt with by the Council. If the initiative comes from the Council, it is the Community which talks with neighbouring countries. But this is not the case if the ministers hold talks with ministers of neighbouring countries.

I should therefore like to urge this paragraph, which could cause further difficulties in fishing matters, be withdrawn, otherwise I call upon Parliament to reject it.

**President.** — I call Mr Prescott.

**Mr Prescott.** — It is absolutely crucial that we should get agreement on the motion. I understand the arguments put forward by the Commissioner, but I do not totally accept them. We shall come back later with another proposal. However, in the desire to achieve unanimity on the resolution I am prepared to withdraw paragraph 3.

**President.** — I consult Parliament on the proposal to delete paragraph 3.

The proposal is adopted.

On paragraph 4 I have the following amendments :

- Amendment No 8, tabled by Mr Alfred Bertrand and requesting that this paragraph be deleted ;
- Amendment No 1, tabled by Mr de la Malène, Mr Cointat, Mr Blumenfeld and Mr Vandewiele :

Replace this paragraph by the following :

- '4. Calls for a speedy agreement on a new Community fishing policy based on principles similar to those of the Common Agricultural Policy' ;
- Amendment No 3 tabled by Mr Gibbons and requesting that subparagraph (a) be deleted from this paragraph ;
- Amendment No 7, tabled by Mr Fletcher on behalf of the European Conservative Group :

**President**

Subparagraph (d) to read as follows :

'(d) coastal fishing zones up to 50 miles controlled by the coastal state';

— Amendment No 2, tabled by Mr Gibbons :

Add the following subparagraph (e) :

'(e) policing of common fishing waters to be undertaken on a Community basis'.

I call Mr Kirk on a point of order.

**Sir Peter Kirk.** — May I ask for a vote by division on this paragraph? It is very important, and we should like to express a separate opinion on one part.

**President.** — I note your request, Mr Kirk.

I call Mr Bertrand to move Amendment No 8.

**Mr Alfred Bertrand.** — (NL) Mr President, I share Mr Prescott's great concern and like him I am convinced that we must try to get Parliament to adopt a unanimous position on the problems of fisheries. It seems to me, however, that in voting for paragraph 1 we have already decided unanimously to exert pressure on the Council to extend fishing zones to 200 miles on 1 January next. I think this is of the greatest importance and it is something we are all agreed on.

Secondly, we have demonstrated our unanimity in asking the Commission to begin negotiations immediately with third countries in general, and with Iceland in particular, with a view to reaching an agreement at Community level.

Anything that we add to these two points now can only complicate the issue and show that this House is divided. For there is no doubt that Parliament is divided on paragraph 4: there is no agreement on the problem of the 50-mile limit and the same goes for the question of reserved fishing zones.

At the moment the Council has not yet given its opinion on the Commission's proposals. Any decision by the Council to introduce the 200-mile limit on 1 January next implies *ipso facto* that further measures will have to be taken — on quotas, on the protection of certain species of fish, on the problem of the 12-mile zone, etc. All this is bound up with the decision to accept an extension to 200 miles.

If Parliament now shows that it is divided as to the content of a particular paragraph, we shall only make the problem worse and shall also be playing into the hands of the Council, which will then be able to point out that the representatives of the Member States in Parliament were not able to reach agreement either. In view of this I propose deleting paragraph 4, so as not to give others the impression that Parliament is divided on this matter.

If we can agree to delete paragraph 4, I think that Mr Prescott will have carried a strong position with his

motion for a resolution. There will thus have been no division in this House, which would only have served to weaken his position. Politically speaking, it is only common sense to delete paragraph 4 and not vote on it.

**President.** — I call Mr Bouquerel to move Amendment No 1.

**Mr Bouquerel.** — (F) Mr President, I should first of all like to thank Mr Lardinois for his reply to Mr Cointat's question on aquaculture. Since he is unable to take part in our debate, Mr Cointat has asked me to explain Amendment No 1 for him.

This amendment underlines the principles which must govern future Community fishing policy.

Rather than inflame the debate by setting those in favour of traditional fishing rights against those who would like to see some change in this area, we hope that Europe will set about defining a common fishing policy based on the following principles: a single market, Community preference, and solidarity.

This amendment would seem to allay the misgivings expressed by Mr Lardinois and Mr Gundelach. For this reason, ladies and gentlemen, I ask you to adopt it.

**President.** — I call Mr Schmidt on a point of order.

**Mr Schmidt.** — (D) I should like to make a suggestion. Mr Bertrand's proposal, if adopted, would do away with all the other amendments. It would surely be expedient if we were to vote first on that particular amendment. Then there would be no need for us to deal with the other amendments. If it is rejected, we can still discuss them. It would save us a great deal of time if we adopted this procedure.

(Applause)

**President.** — I call Mr Kofoed.

**Mr Kofoed.** — (DK) Mr President, I think that it would be logical to vote on Mr Alfred Bertrand's amendment, since it cancels out the others and is the one which goes furthest.

**President.** — There being no objections, the request for an immediate vote on Amendment No 8 is approved.

I call Mr Prescott.

**Mr Prescott.** — Mr Bertrand's proposal would take out the guts of decision-making and turn Parliament back into a useful body passing an opinion agreed by the Commission and the Council and pleasantly

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going home. No Parliament arrives unanimously at decisions; it divides. Democracy is about that division. That is an essential principle. By accepting Mr Bertrand's proposal Parliament would be acting in a muted way, which it has a reputation for doing. I hope that it will not follow that course. I hope it will have the guts to take the decision in its hands, vote and tell the Commission that Parliament is prepared to tell it what it thinks about the division within the Community and provide a solution.

*(Applause)*

**President.** — I call Mr Lardinois.

**Mr Lardinois, Member of the Commission.** — *(NL)* Mr President, I should like to make a short statement. I agree with those who say that this Parliament must obtain power in areas where as yet it has none, and that its responsibilities must be extended. I have defended this view for years in European politics.

With regard to the amendment, it is my view that this House can of course make decisions on the internal fishing policy on the basis of the proposals put forward by the Commission two weeks ago. But, Mr President, these proposals are very complicated. If Parliament takes a decision so soon on the main aspects of the internal fishing policy, without the competent committees having given their view on the subject, it seems to me that Parliament is not strengthening its position but is acting without having been able to make a thorough assessment of the Commission's proposals.

*(Protests from the left)*

**President.** — I put Amendment No 8 to the vote. Amendment No 8 is rejected.

Again on paragraph 4, I have Amendment No 1 tabled by Mr de la Malène, Mr Cointat, Mr Blumenfeld and Mr Vandewiele.

The show of hands seems to indicate an equal number of votes for and against, namely 38, but there is some uncertainty. I therefore think that it would be advisable to take a fresh vote by sitting and standing in order to avoid any doubt.

The amendment is adopted. As a result of the adoption of this amendment, the other amendments become void.

I call Mr Stewart on a point of order.

**Mr Stewart.** — Mr President, I think I am right in saying that we did not merely recount the votes. There is possibly a different total of votes from the previous total. In view of the importance of the matter, everyone will wish to make his position clear. May I therefore request a roll-call vote?

*(Applause from the left, protests from the right)*

**President.** — Mr Stewart, the vote has already been taken again because the result was doubtful; it has

now shown a fairly large majority. I therefore do not feel that — according to the Rules of Procedure — the circumstances warrant a vote by roll-call.

I call Mrs Ewing.

**Mrs Ewing.** — I appreciate that the Rules of Procedure give you the right to take the decision that you have just taken, Mr President, but may I point out that this Parliament has always shown itself to be very flexible, and that this is a unique situation; I have never known it to occur before. It is within your discretion to grant the reasonable request of my colleague, Mr Stewart. I suggest that you reconsider the situation and grant this reasonable request, otherwise none of us will feel satisfied.

*(Protests from the right)*

**President.** — I am sorry, Mrs Ewing, but there is a rule which specifically prevents us from proceeding otherwise.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

Since no one else wishes to speak, I put to the vote the motion for a resolution as a whole incorporating the amendment which has been adopted.

The resolution is adopted.<sup>1</sup>

##### *5. Regulations on the application of generalized tariff preferences*

**President.** — The next item is the report drawn up by Mr de Freitas on behalf of the Committee on Development and Cooperation on

proposals from the Commission of the European Communities to the Council for regulations on the application of generalized tariff preferences in 1977 (Doc 332/76).

I call Mr de Freitas.

**Sir Geoffrey de Freitas, rapporteur.** — The Community's generalized system of preferences is one of the chief ways of helping the developing world. Of course, the interests of the ACP countries are always borne in mind when considering the generalized system and it is important for us to realize that significant help is provided for the developing world.

The Commission document is very complicated...

Mr President, I wonder who will reply for the Commission. I do not see any member of the Commission here to reply. It is useless to continue this debate if there is nobody here for the Commission...

<sup>1</sup> OJ C 259 of 4. 11. 1976.

**de Freitas**

This is a farce. Mr President, I draw your attention to the fact that not long ago we had a Commissioner who intervened in respect of a subject that we had already decided previously, by a vote, not to refer to committees. The Commissioner argued against that decision. Now, when it is his duty, or some Commissioner's duty, to be present, there is nobody here. What sort of nonsense is this?

**President.** — I call Mr Prescott on a point of order.

**Mr Prescott.** — If the Commissioner cannot be here, if, for some reason, he has had to leave the room and we have decided that we should tell the Commission what it shall do, we should suspend our proceedings... I see that the Commissioner has now returned.

**President.** — I understand that Mr Gundelach has had to leave us for a few moments.

However, I would ask the Commission to avoid this kind of thing in future.

Please continue, Sir Geoffrey.

**Sir Geoffrey de Freitas, rapporteur.** — I was saying that the Commission's document is necessarily a very complicated one. We are not complaining about that, but it is a fact. I was pointing out that the Commission knows — I hope that all of us who study this point know — that the generalized system of preferences is one of the chief ways that the Commission has of helping the developing world.

The Commission's proposals for 1977 represent a very great improvement in the volume and value of the potential preferential imports. The increase in value is about 40 %, which is very large indeed. Within this, substantial improvements have been made in two categories — in agriculture and in manufactured products. In agriculture, with nearly 300 agricultural products covered, having a value of over 1000 m u.a., there are 46 new items and 70 improvements. These improvements — as I am sure the House will be gratified to realize — are intended largely to help the poorer among the developing countries.

In manufactured products the increase is also about 40 %, and is now over 5000 m u.a. Within this there is a substantial increase in manufactured products other than textiles, amounting to over 50 %. For textiles the Commission is proposing a new system, which removes the discrimination against Hong Kong. At the same time it gives greater scope to the poorer producers without increasing pressure on our domestic markets.

We should keep the GSP in perspective. The total amount subject to GSP is about 79 000 tonnes. Imports from developing countries amount to 600 000 tonnes and imports from all sources into the Community amount to 1 200 000 tonnes. So we are talking

about removing the discrimination against Hong Kong in relation to about 6 % of total imports.

The Commission also proposes to continue its programme of seminars and the establishment of a documentation, information and advice centre. The Parliament has been calling for this for several years; in fact, paragraph 9 of the resolution that I am moving refers to the need for the Commission to make specific and immediate proposals rather than to state lofty intentions.

The opinion of the Committee on External Economic Relations, which is in my report, also underlines this point. I want the Commission to give a definite promise in Parliament today that this will be met. I am encouraged because within the last half hour I have been handed a document in French — apparently it has not yet been translated into any other language — which, as far as I can see, goes some way towards meeting the repeated requests of Parliament.

These are the broad lines of the very great improvements which are proposed, and I feel that Parliament will approve them. However, there are one or two areas where further improvements can be made. I outline them in my report. I will not go into all of them, but will mention only two.

First, the solution of the problem of preferences being used inadequately will be helped by the measure proposed by the Commission. The Committee on Development and Cooperation believes that the solution must be a fundamental simplification of the system. Simplification is the only solution.

Second is the problem of the bulk of the GSP. About three-quarters of the GSP is accounted for by ten of the relatively more developed of the developing countries. For this reason, in paragraph 6 of the resolution we urge the Commission to propose ways of spreading the use among the other developing countries. In paragraph 9 of the resolution we stress the need for positive and complementary measures to be brought in at the same time. The tariff rate is only one factor at which a businessman looks. Before investing, he has obviously to consider a whole range of factors. It is very important that in the years to come we put the emphasis more on getting greater use of the GSP rather than on increasing its scope. We would like to see definite measures to this end from the Commission. We call for more detailed information on impact. The report of the Committee on Agriculture refers to this in paragraph 17. After all, the GSP costs the Community money; that is, it costs the taxpayers of our countries money and we must try to establish how effectively that money is being spent. It may be that by its nature GSP will benefit only the relatively more advanced countries. In that case we should consider alternative means of promoting trade with the less developed countries. It is trade above all that they really need.



de Freitas

While asking Parliament to support this motion for a resolution, I should let the House know that, although I speak on behalf of the Committee on Development and Cooperation, I speak also for the Socialist Group.

I conclude with a reminder that the generalized system of preferences is not just an accounting document; it is one of the chief ways of helping the developing world. As Europeans in a wealthy part of the world, we have the duty to help those who are less fortunate than we are.

**President.** — I call Mr De Keersmaecker to present the opinion of the Committee on Economic and Monetary Affairs.

**Mr De Keersmaecker, draftsman of an opinion.** — (NL) Mr President, on behalf of the Committee on Economic and Monetary Affairs I should like to report on the discussions we had on this question at our last meeting. I must begin by saying that we are sorry not to have been consulted earlier on this point. This question was submitted to the committee during the summer recess and the rapporteur was only nominated at a meeting in September, so that he only had a week in which to prepare a written draft opinion before the next meeting of our committee. You will agree, Mr President, that that is verging on the impossible. Moreover, there was no opportunity for any real exchange of ideas which could have served as a basis for this opinion.

That said, the Committee none the less felt that the most important points from its discussions on this question should be presented here. In doing this, I am taking the place of Mr Van der Mei, who is unable to attend today. The main points were as follows

The Committee on Economic and Monetary Affairs agrees with the Committee on Development and Cooperation that the system of generalized tariff preferences can be of considerable assistance to economic progress in the developing countries. Last year, in its opinion on the scheme for 1976, the committee expressed regret that in view of the economic recession it had only been possible to make a nominal increase in the ceilings and quotas, which actually meant a consolidation or even a relative reduction in terms of volume. In contrast to last year, the Commission is now proposing a substantial increase in the ceiling for industrial products other than textiles. This arrangement amounts to an overall increase in value of 51 %, with an increase of 35 % for sensitive products, 47 % for semi-sensitive products and 57 % for non-sensitive products. Allowing for the inflationary element in these figures, the proposals still embody a real improvement.

The Commission points out, with regard to the proposed increases, that whatever the effects of these proposals the Community is bound to abide strictly by the rules it has itself laid down. Now while

supporting the system of preferences, the Committee on Economic and Monetary Affairs wishes to make it clear that this does not mean it will automatically accept proposals for increases without close examination of the effects and without provision being made for the necessary accompanying measures to limit the possible effects. This will have to be done more particularly as part of a structural programme. This is one element which was greatly stressed by all the Members who contributed to the debate in the Committee.

For textile products an increase of 5 % over the current volume is proposed for 1977. This sector is of the greatest importance for certain developing countries, but it must not be forgotten — and on this there was complete agreement in the Committee on Economic and Monetary Affairs — that in most Member States of the Community there are extremely serious difficulties in this sector. This is why the Commission could only propose modest increases. It should also be borne in mind that in contrast to the Community most other countries which grant preferences have so far excluded textile products from their concessions. In this connection the Committee on Economic and Monetary Affairs raised the following points.

Firstly — I have already remarked on this with regard to the whole system of preferences — attention was drawn to the need for a structural programme. The textile industry is of the greatest importance for certain developing countries and exports from these countries are hampered by the customs regulations applying in the Community. You will, however, be familiar with the structure and the capacity of the textile industry in the Community.

A structural programme will obviously have to be drawn up which, within the framework of the international division of labour, also offers a solution for the Community sectors concerned. As I have already said, this is equally true for all other sectors.

With regard to the proposed increase in volume in the textile sector, opinions were similarly divided. Some Members felt that the increase proposed by the Commission was sufficient, while others thought that the ceiling should be raised for the benefit of the poorest developing countries. To a certain extent the Commission meets this objection by concentrating primarily on the least favoured developing countries and raising the ceiling for the benefit of these countries. For 28 textile products the quota is split into two parts, 30 % for beneficiaries in a good competitive position and 70 % for the rest. This division of beneficiaries into two groups makes it possible to put an end to the discrimination against certain countries with a traditionally good competitive position which were hitherto excluded from the scheme for textile products and are now to be covered by the scheme. This applies particularly to Hong Kong.

**De Keersmaecker**

This division of the quota between countries in a good competitive position and other countries results in a more balanced and fairer distribution, a distribution which corresponds more closely to the needs of the least developed countries. I believe this scheme deserves our support.

I have one last remark concerning the distribution of benefits from the scheme for textile products. The list of beneficiaries needs to be revised. It cannot be denied that the countries to which the scheme applies form a very heterogeneous group. Certain members have also expressed their concern at the fact that state-trading countries are among the beneficiaries. The Commission announced last year that it would postpone a revision of the list of beneficiaries until after 1980.

With the present list a better and more balanced distribution of benefits among the recipient countries is only possible in the short term by means of such arrangements as are now proposed for the textile industry, for example. It is regrettable that because no amendments have been made to the list no similar arrangements have been made for other products.

Mr President, these were the main points raised in our committee. I should like to confine myself to these points and finish by expressing the hope that another time we shall be consulted sooner so that we can produce a properly prepared written opinion on this important matter.

**President.** — I call Lord St. Oswald to present the opinion of the Committee on Agriculture.

**Lord St. Oswald, draftsman of an opinion.** — As draftsman of the opinion of the Committee on Agriculture, it is possible to speak at some length or with brevity. I have in fact chosen unhesitatingly the latter. There is plenty of subject-matter, but the justification for brevity is twofold. We are this week running discursively late on our agenda and, secondly, this is not an opinion sought with a view to possible alteration and improvement of the proposals. As regards the agricultural items, it is an opinion upon decisions already taken, and taken outside the Community.

As Sir Geoffrey has said, the agricultural offer contains 46 new items and improvements on 70 existing preferential margins. This must be satisfying to us all, but it is simply a list transferred directly and bodily as the list of tariff reductions adopted at the GATT multilateral trade negotiations on 6 April of this year.

From my own opinion I would like to emphasize only the attention drawn to the setting up of a documentation, information and advice agency and a programme to increase information available to commercial operators. At first glance this might look like an extension of bureaucracy and the recruiting of more bureaucrats. As such the suggestion would win few friends.

3

The true purpose is to acquaint the poorest of all countries with the opportunities of the system so that it can be more beneficially used by those in most need. At the moment it is demonstrably not. Brazil and Romania are two of the countries which take the greatest advantage of the system, for instance. There is a certain irony here: Brazil in terms of natural resources is potentially one of the richest nations in the world and Romania possesses what is now called liquid gold — oil, oil, oil — and has been exploiting it for most of this century.

In contrast, some of the poorest nations make little or no use of the system, lacking knowledge, in all probability, of what is on offer. The setting up of this kind of information office and service has been under discussion for two years. I therefore urge upon the Commission that it be brought into being as soon as possible. Although I had prepared myself to say more, I will now assist the progress of the agenda by falling silent, except to mention that my friend in all but the purely party-political sense, Mr Mark Hughes, feels protective towards whales that is, the marine monsters, and not the country: they are both pronounced in exactly the same way in English. He has told me that he intends to speak on the subject. This affection undoubtedly does him credit and I commend whatever he may have to say on behalf of these large-scale mammals and his ingenuity in introducing them into this debate, if not into the hemicycle itself.

I naturally give my approval and support to the report of Sir Geoffrey.

**President.** — I call Mr Stewart on a point of order.

**Mr Stewart.** — Mr President, I wish to give notice of a point of order that I propose to raise as soon as we reassemble at 3 o'clock. I thought it courteous and proper to give you and your advisers notice of it. It concerns what I believe to have been irregularities in this morning's procedure.

First, Commissioner Lardinois was called upon to speak after the mover of the motion had replied, and therefore closed the debate. Secondly, on the division, where we had to take two votes — before that division was taken, my colleague John Prescott was not given, as he should have been, a right of reply.

I imagine that you and your colleagues will wish to consider these matters. This is why I give notice now that I will raise them when we reassemble at 3 o'clock.

**President.** — I take note of your statement, Mr Stewart.

The proceedings will now be suspended until 3.00 p.m.

The House will rise.

*(The sitting was suspended at 1.15 p.m. and resumed at 3.05 p.m.)*

## IN THE CHAIR: MR YEATS

*Vice-President*

**President.** — The sitting is resumed.

6. *Procedural motion*

**President.** — I call Mr Stewart on a point of order.

**Mr Stewart.** — I have given you notice, Mr President, of points of order I wish to raise concerning what I believe were serious irregularities in this morning's procedure, so serious as, I believe, to invalidate the result.

First, on the motion that was in dispute and on which there was both a show-of-hands vote and a vote by sitting and standing, my colleague Mr John Prescott was not given, as he should have been, a right of reply at the end of the debate. This was despite the fact that he stood up and endeavoured to catch the attention of the Chair, which, unfortunately, he was unable to do. That was a serious omission and that is the first point I ask you to consider.

My second point is this. We asked for a roll-call vote. The Chair, relying, I think, on paragraph 3 of Rule 33, ruled that the request should have been made by at least 10 Representatives before the voting had begun. I accept that that is the general rule, but Rule 35 has a qualification of that general rule. It says:

'If the result of the show of hands is doubtful, a fresh vote shall be taken by sitting and standing.'

Incidentally — and to this I shall refer later — the result of the show of hands, was not doubtful, because the occupant of the Chair told us clearly what the figures were on both sides.

Leaving that point for the moment, paragraph 3 of Rule 35 is as follows:

'If the result of this second vote is doubtful' — that is, the sitting-and-standing vote —

'or whenever ten or more Representatives so desire, the vote shall be taken by roll-call.'

As I said, the result of neither vote was doubtful, but that is not a necessary condition, because paragraph 3 says:

'If the result of this second vote is doubtful or whenever ten or more Representatives so desire ...'

Notice 'whenever' — not necessarily before the vote is taken. This clearly applies to a demand made for a roll-call where there has been a show-of-hands and then a sitting — and-standing vote. It is a qualification to the previous rule on which the occupant of the Chair this morning relied. I argue therefore that in any case, even if one accepts the validity of the previous votes, we should have had a roll-call vote.

I am sorry that I was unable to give you notice of the third point, because it only recently came to my attention. The fact that I have not been able to give you notice should not worry you too much, because it is

by far the simplest and most indisputable of the points I am raising. It is this. Rule 35 (2) is as follows:

'If the result of the show of hands is doubtful, a fresh vote shall be taken by sitting and standing.'

What cannot be disputed is that the result of the show of hands was not doubtful. It was a tie. The occupant of the Chair departed from the usual procedure in telling us the numbers — 38 on each side. The occupant of the Chair, therefore, should not have proceeded to a sitting-and-standing vote. What should he have done? The answer is plain in paragraph 5 of Rule 35:

'In the event of a tie, the motion shall stand rejected.'

That seems to me to be unanswerable.

I am putting the proposition that we had a vote the result of which was not doubtful but a tie, and Rule 35 (5) makes it clear that in that event the motion should stand rejected.

That, I believe, is the position that we should be in now — that the motion was rejected — and we should proceed from there.

I am very reluctant to criticize the actions of the Chair, and you could say to me, Mr President — although I cannot think you would; but a less kind and just person than yourself might — that it was the duty of all Members to point this out at the time. We are all expected to have a good working knowledge of the rules, but very few of us can be expected to have every single paragraph of the rules at their fingertips all the time. With respect, it is the Chair who is primarily the custodian of the rules. With respect, I suggest that this morning a mistake was made. I do not wish to use censorious words about that; we have all made errors. But a mistake was indubitably made. If the proper procedure had been upheld, the motion would have stood rejected. I ask that you now rule that it has been so rejected and that we should resume the discussion of the resolution at that point and on that assumption.

**President.** — I should like first to thank you, Mr Stewart, for having kindly given notice before the luncheon adjournment that you proposed to raise this matter.

If I may deal with the first point that you raised — the question of Mr Prescott's being called to reply to the debate — first, there is no right of reply incorporated in the Rules. Under Rule 8 it is a matter for the President to call any speaker. I think all of us, as members not merely of this Assembly but of other national parliaments, appreciate that on such occasions a President has to act in accordance with his judgment of the debate and the extent to which the matter has been discussed. There is a discretion there which a President must exercise and is entitled to exercise, and in the absence of any rule of this Parliament relating to a right of reply the fact that a particular speaker was not called upon at any particular time in no way vitiates or undercuts the legality of what was done.

## President

On the question of the roll-call, the position is that under Rule 35, paragraph 3, there are two circumstances laid down in which a roll-call may be asked for. In the event of a doubtful result on a second vote, as provided in the Rules, there can be a roll-call or, as you pointed out, Mr Stewart, when 10 or more Representatives so desire. One must consider the circumstances in which those 10 Members can call for a vote. Clearly it can only be before the vote is taken, because after the vote is taken and the President has declared the result the matter is at an end and there can be no further vote. Therefore, the call for a roll-call must be made before the vote starts.

On the point made about the declaration by the President that the number of votes was 38 to 38, the position seems to be this: the Rules provide that where a vote is taken by an ordinary show of hands and it is doubtful, a second vote must be taken by sitting and standing. Under what circumstances does doubt arise? Clearly these circumstances are where a vote is very tight — where there is little between the sides. Whether the President consults the secretariat and they tell him that it is 38 to 38 and he says that it is doubtful, or whether, out of courtesy, he informs Members that it is 38 to 38, does not alter the situation. Under the circumstances of a vote taken by a show of hands no one can say there is no doubt. One can say that there is no doubt if a vote is taken by sitting and standing. Then you can say there is a definite result, which may be a tie. But with the putting up of hands, where there is a tie the result is that it must normally be doubtful, and any President would be failing in his duty if he did not seek a further vote. I think that is the answer to Mr Stewart's point in that respect.

Having shown that decisions taken by the President who was then in the Chair were correct, I should add that the President, having declared the matter closed, having declared the vote taken and declared the resolution carried in its final form, that is an end of the matter. Even were the points that Mr Stewart made correct in law, I would still have to say that is an end to the matter and that it cannot therefore be re-opened.

Further, I have been at pains before making this last point to stress that there can be no doubt that in accordance with the Rules of this House and all the precedents of this House, the President acted perfectly correctly.

I call Mr Bangemann.

**Mr Bangemann.** — (D) Mr President, I have not much to add to what you said, because I believe that you have given an accurate account of the situation in which we had to reach a decision in accordance with our rules of procedure. I would ask those Members

who are not satisfied with this decision — which I can well understand — not to start off a debate more wide-ranging than the actual decision itself. We have always abided by our own rules up till now, and it is quite clear that anyone wanting a vote by roll-call can of course request this; however, he must do so before the vote is taken — and this did not happen.

Obviously, a decision can be regarded as doubtful when the voting is 38 to 38. All the President can do in such a situation is to decide on the basis of the result he arrives at whether this result may be doubtful or not. When is a decision more doubtful than when the vote on a show of hands is 38 to 38, i.e. a tie? The President is fully justified in acting in this way. I did not hear any protests at all from your benches until the votes had been counted. When the first vote was being taken on the motion by the Christian-Democratic Group, I myself was not satisfied that the count was right, but I did not say anything even though the result went against my own views on the matter. When somebody from the Socialist benches then asked what the figures were — you asked for them, we didn't — and when the result went against you and the President said that we should now determine the exact voting figures, you did not protest then either, because you still thought you would win. Only when you realized that you had lost did you protest.

I realize that Mr Prescott has a closer personal interest in this decision than I do. There are no fishermen in my constituency, but I can understand his views. I am also willing to accept his views if the majority so decides. However, Mr President, the majority has quite clearly decided against Mr Prescott and against this motion. I think it is therefore only fair play...

**President.** — May I intervene for a moment?

Having said that you did not feel that this matter should be reopened, Mr Bangemann, it seems to me that you are engaged in doing so. I ask you to bring your remarks fairly rapidly to a close. The one thing that we do not want is to have a rehash of everything that took place this morning.

**Mr Bangemann.** — If that is the general attitude of the House I shall stop now, but since I have heard so much this morning on this question I wanted to point out that I was not personally satisfied with the first vote, but I did not say anything.

**President.** — I have been asked by Mr Dykes and Lord Bruce to permit them to raise points of order. I shall hear any points of order that anyone wishes to raise on a new matter. The matter raised by Mr Stewart is now settled, and if I am to hear a point of order it must be on some new topic, because we cannot continue a discussion about what took place this morning. Is this a new matter. Mr Dykes?

**Mr Dykes.** — Yes, Mr President, it is definitely a new point of order. May I say by way of a quick preamble that I am not sure why you feel it so essential to defend the decisions of the Chair this morning? I do not think that there is any intention on the part of Members to criticize what was done this morning by the President. We understand how difficult it is to make these decisions quickly, perhaps when the Chair is not given the correct advice by the Clerks sitting on either side of him, and having forgotten the Rules of Procedure ourselves. That is understandable. Therefore, I hope that you will not reside in that which was done this morning by some kind of fraternal solidarity about the Chair always being defended, although I can see that there is some merit in that. What Mr Stewart has said is of such importance that it must be considered.

I want to raise a new point. It has been put to me quite legitimately that the meaning of the word 'doubtful' in paragraph 3 of this section of the Rules of Procedure can itself mean more than just a strict mathematical result. You will recall, Mr President, that the result of the second vote this morning, although not doubtful as to its mathematical effect, was doubtful because it arose from a doubtful first vote. At that moment there was a definitive request by a number of Members for a roll-call, when the President then, at that moment, had the duty towards this House to say, 'Is that the wish of at least 10 Members?' Then we would presumably, under the rules, proceed to a roll-call vote. That was not done despite Mr Bangemann's anxiety to avoid the truth, and I think it is very important for us to consider the result of this morning's vote.

**President.** — Mr Dykes, first I think I should say that I am not incalculated with any particular trade-union principle that one ought to defend all Presidents. I felt that I ought to say I am absolutely satisfied that the rulings made this morning were correct. Since I am so satisfied, I think it would be wrong for me not to say so. But I assure Members, that, much as one might like to do it, I would not feel it necessary simply as one President referring to another President to say this if I did not know it to be true.

On the question of doubt, it seems to me that since there is no definite description in the Rules, nor could there be, as to what 'doubt' and it must be the President. If a President feels that a vote is doubtful, he must under the Rule call for another. If he is satisfied there is no doubt, it is his duty to declare the result, which ultimately he did. But as to what is doubt, no individual Member can decide that there is or is not doubt. It is the duty of the President to do this, and so he did.

Lord Bruce, have you some new points you wish to raise?

**Lord Bruce of Donington.** — On the basis of the account given by Mr Michael Stewart and on the basis

of the rule argument which he gave, Mr President, you have arrived at the conclusion that the decisions made by your predecessor in the Chair were quite in order. But, Mr President, if I may say so, you also went a little beyond that. You indicated that in your view the actions of the President during that period of time proceeded with absolute correctness. I seek to draw to your attention certain events that were not drawn to your attention in specific terms by Mr Michael Stewart and which I submit to you, Mr President, it is proper you should hear from me.

It is true that Mr de la Malène moved Amendment No 1 on behalf of himself Mr Cointat, Mr Blumenfeld and Mr Vandewiele to the resolution by Mr Prescott. Mr de la Malène was allowed to move that amendment. In my presence, and in the knowledge of the House, the moment he had concluded Mr Prescott rose to his feet and also I made certain indications to the Clerks that I wanted to speak. No communication passed between the Clerks and the President, who at the time was looking in the direction of Mr Lardinois, who made a gesture that he wanted to speak. Your predecessor in the Chair did not see Mr Prescott stand up, he did not see my gesticulation at all, nor was he apprised of them by the Clerks of the Table. He called Mr Lardinois, who then proceeded to expatiate not on this resolution but on the amendment that had already been passed, and he was ruled, nevertheless, in order.

It is quite true that no President is compelled to call for a reply from a rapporteur to an amendment that has been submitted but this is most unusual where the matter is a highly contentious one, particularly where the rapporteur is known to have spent days and weeks in preparing his subject in detail and particularly where there are great divisions of opinion. For a President in those circumstances to refrain from calling the rapporteur is, in my view, not consistent with correct conduct in the Chair, more particularly when it relates to a lunatic amendment of this kind that seeks to put the whole of the fishing policy of the Community under Directorate-General VI, which could not run a wheel-stall even if it had one.

**President.** — Lord Bruce, first I should point out that, according to Rule 31 of our Rules of Procedure, a Commissioner is entitled to intervene at any time.

Secondly, with regard to the detailed way in which the debate went this morning, I do not think we should get involved at all — I certainly do not propose to do so — in what was said by whom, or what the nature and substance of an amendment was.

When I said that I was satisfied the rulings made this morning were correct, I meant that I am satisfied that the business of this House was conducted in accordance with our Rules.

## President

The point we are now discussing is not how the debate went this morning and not who said what or why. The point we are discussing now is whether there is any legal reason for reopening the proceedings of this morning. I have ruled that there is not. I have ruled that, in my opinion, what took place this morning was in accordance with the Rules. The points made by Mr Stewart therefore fall, and in any event, even if every point made by Mr Stewart were correct — and I do not accept that any of them was correct because they were all incorrect — the Chair would still be in a position that there is no way in which this matter can be raised again because the Chair, in accordance with the Rules, declared the results of the various votes and declared the resolution carried in its final form.

That is all there is to it. It is out of my hands.

I call Mr Mitchell.

**Mr Mitchell.** — In view of your ruling, Mr President, which I completely and utterly accept, may I ask that the English translation of the Rules of Procedure — a document which I have before me — be changed? In the English translation Rule 35 (3) clearly says in English: 'or whenever ten or more Representatives so desire.' You, Mr President, have ruled that this means that the 10 must ask before the vote is taken. The English translation says specifically 'or whenever'. In view of your ruling, which presumably we take as precedent, may I ask that the English translation be changed?

**President.** — I should be inclined to agree that the Rule could be more felicitously worded. The precedents of this House are entirely that the roll-call must be called for before the vote, and common sense suggests that there is no alternative, because once the President has declared the result of the vote that is an end to it: there cannot be a further vote.

Therefore, the only way to call for a vote by roll-call, except in the case of a doubtful vote, is beforehand. I accept that there could be a better wording. One should be considered. As to the meaning of the Rule, I think that there is no doubt.

I call Mr Howell.

**Mr Howell.** — I believe that a serious mistake was made this morning. Rule 35 (2) says: 'If the result of the show of hands is doubtful, a fresh vote shall be taken by sitting and standing.' The result of the vote was not doubtful — it was declared to be a tie. The Rules then suggest: 'In the event of a tie, the motion shall stand rejected'. The Rules are very clear. Mr Stewart has a valid point, and I think that the Chair made a mistake in the first instance when it took a fresh vote after it had declared that the result was a tie. I think that the matter should be reconsidered.

**President.** — I have already dealt with this matter of doubt. I pointed out that in a vote by a show of hands,

where it was as close as that there must be doubt, and the Chair was correct in saying that there was doubt. I do not think that we should reopen issues that have been dealt with.

Mr Molloy, have you a new point?

**Mr Molloy.** — I wish to raise a point of clarification on something you have said, Mr President, which is absolutely correct, namely, that a Commissioner can intervene at any time in a debate. I think that most of us would accept that.

If a Commissioner decides to intervene in an endeavour that he should be the last speaker, does that mean that Commissioners have the power, by withholding their intervention, to close a debate and prevent a right of reply by any rapporteur?

We must get this provision clear, because some of us believe that Parliament has not really matured and is being held back by considerable powers held by Commissioners.

What I want to know is this. Is there some mystique and powder that a Commissioner has to adjust his intervention so that, by careful judgment, he can kill debate and prevent a rapporteur from answering a debate, which seemed to be the situation this morning?

**President.** — Mr Molloy, I can assure you straight away that no Commissioner has any such power. Indeed, no occupant of the Chair would allow a Commissioner such power. A Commissioner may speak at any time on demand, but equally the President *pro tem* is entitled to call anyone after him. If he does not, it is entirely a matter for him.

I stress that first of all the House had decided at this stage to proceed to an immediate vote, and clearly the Chair, particularly in these circumstances, must exercise a discretion as to whom whom it should call, as I shall shortly now have to exercise a discretion as to how many more people I will call on this subject.

Mr Stewart, I hope to close this matter.

**Mr Stewart.** — I was glad to hear you say, Mr President, that the President would always have the right to call somebody after the Commissioner, because I was worried about what you had said earlier. Granted that Commission or Council can be heard on request, that surely cannot mean that they can but in as often as they like at whatever point in the debate that they like. However, what you have said since then clears up that point.

I feel also that there is some permanent importance in your ruling that, once the Chair has declared the result of a vote, that is that. I am still a little worried, however, about the very first vote that was taken this morning by show of hands, because, after all, the President declared the results to be 38 to 38. You have just said that once the President has declared the result

**Stewart**

that is the result. How could anyone, therefore, have the impertinence to say that there is any doubt about this? I remain puzzled about this.

My concluding remark is this. We are all prepared to accept rulings from the Chair even if we do not like them, but why we should be expected to listen on top to lectures from Mr Bangemann I do not understand.

**President.** — Mr Stewart, I ought not to have any memory of this morning's proceedings, but I have confirmed it with the secretariat. My memory is that the President, in the same sentence as saying that the result was 38 to 38, said that the result was doubtful and that the House should have another vote. In other words, we had not, shall we say, reached a full stop which would have created the result. In the same sentence, without a break, the President said 'The result is 38 to 38, and therefore we must have another vote'.

I call Mr Prescott.

**Mr Prescott.** — I think that we all understand the Chair's problem. If an Assembly does not agree with the Chair the only alternative is to move him out, but I do not think that anyone is proposing that — certainly I am not.

As a result of your series of rulings, Mr President, I wish to raise the question of the position of the rapporteur. Each one of us will find himself in that position. That it is up to the Chair to decide whether a rapporteur can be called to speak to an amendment is not doubted. In all fairness, if a new amendment is brought before the Assembly the rapporteur should be able to reply to it. I ask you, Mr President, to take up this matter in procedure committees or otherwise. We have a ruling that the Commission has the right to speak, but there is no ruling that the rapporteur has the right to reply to an amendment. I hope that our procedures will be amended to enable that to be done. Otherwise the Commission — and Mr Lardinois is a politician in every sense of the word — can utilize that last opportunity without the rapporteur's being able to reply.

I accept your judgment, Mr President. I see no alternative. I ask you to give careful consideration to the rights of the rapporteur to reply to an amendment. In my case the amendment had the effect of rejecting the Commission's proposal because the CAP will not permit the Commission's proposals on fishing. This should be a right of the rapporteur rather than at the discretion of the Chair. The rapporteur should be able to reply to any amendment received, perhaps half an hour before it is debated.

**President.** — Thank you, Mr Prescott, for the general tone of your remarks. I should make clear a matter about which I think you are under a misapprehension. The rapporteur of a committee certainly has a right;

he has the right to speak at his request. That is contained in Rule 31. You were not a rapporteur of a committee and therefore under the Rules you had no right to be heard. The only advice I can give is what I am sure you would do in the House of Commons; if the Chair does not see you, you can always make yourself seen and heard.

I call Mr Schwabe. This is positively the last point of order I shall hear. After this speaker I shall close the discussion.

**Mr Schwabe.** — (D) Mr President, I was thinking of contributing a few profound thoughts on this subject, but since it is already 3.38 p.m., I shall not bother.

**President.** — The matter is now closed.

#### *7. Tabling of a motion for a resolution*

**President.** — I have received a motion for a resolution tabled by Mr Schwörer, Mr Mittendorfer, Mr Mursch, Mr Brugger, Mr Willi Müller, Mr Suck, Mr Schwabe, Mr De Keersmaeker, Mr Vandewiele, Mr Bangemann and Mr Artzinger, with a request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on third-party motor vehicle insurance in the Community (Doc. 357/76).

I shall consult Parliament tomorrow morning on the urgency of this motion.

#### *8. Regulations on the application of generalized tariff preferences (resumption)*

**President.** — We now resume the debate on the report by Sir Geoffrey de Freitas on the application of generalized tariff preferences in 1977 (Doc. 332/76).

I call Mr Émile Muller to speak on behalf of the Liberal and Allies Group.

**Mr Émile Muller.** — (F) Mr President, reading last week the crushing report by Mr McNamara, President of the World Bank, on the plight of one thousand million of the poorest people on earth — a figure which has not changed over the past ten years — we asked ourselves about the role of generalized preferences in improving the standard of living of these people and in guaranteeing their children adequate nourishment.

The rapporteur himself has provided the answer by saying that 'to call this system preferential is a euphemism'. All it in fact does is to guarantee a number of products coming from the most underprivileged countries the same freedom of access into the EEC as for products imported from Western European countries. However, as they are not backed up by a marketing system which would make them more attractive, these preferences are not fully utilized by the Third World countries and in fact involved a mere 2.5 % of total Community imports.

### Émile Muller

Although the economic upswing in the EEC is going to permit a substantial increase in generalized preferences from 4 600 million u.a. in 1976 to 6 500 million u.a. in 1977, the complexity of the mechanisms involved, the lack of harmonization between the Member States and the uncertainty as to when national quotas will be filled mean that this system will once again be utilized only to a limited extent in the coming year.

In view of this, we welcome the Commission's efforts with regard to information, documentation and advice, while sharing the rapporteur's hope that further endeavours will be made.

In all sectors, the benefits should go primarily to the most underprivileged Third World countries. Let us not forget that this is the objective of the generalized preferences. Selection of beneficiaries should therefore, in our opinion, be more stringent.

The 'sacred principle' of non-reciprocity could be applied pragmatically according to mutual needs, through bilateral agreements between countries benefiting from generalized preferences.

There must be an established pattern of trade taking account of the long term potential which has to be maintained if the industries of the developing countries are to flourish; otherwise, the system of generalized preferences will come to mean little or nothing.

Alongside this, efforts must be stepped up in other complementary fields of cooperation, such as trade promotion, encouragement of diversification, assistance to regional economic integration and stimulation of investment and domestic restructuring.

These are the prerequisites for achieving a real increase in the export revenue of the developing countries for speeding up their economic growth rate.

Only in this way can the proposals for 1977, which represent a substantial improvement, have a real impact on the most underprivileged countries.

At this point, it must be added that greater efficiency implies harmonization of the Community system of tariff concessions with those of other industrialized nations, bearing in mind that the burden of these concessions must be distributed equitably.

Since the present recession in the West began, there has been very little talk of international division of labour, a concept aimed at transferring the bulk of labour-intensive activities to Third World countries. The fact is that, in order to tackle unemployment, the industrialized nations have revived a number of activities to which little attention had been paid during the previous decade. Italy, for instance, is considering recycling half a million workers in the agricultural sector.

We are therefore pleased to see that, within the framework of the generalized preferences, the Commission

has allocated a more important role to agriculture; the value of agricultural products exempt from customs duties has increased from 22 million u.a. to 1 235 million u.a. This represents a real effort, since there is full Community solidarity in this sector.

This draft regulation, although not revolutionary, is a positive step in the North-South dialogue, which, after a promising start, seems to be marking time because of lack of agreement as to the subjects to be discussed. It will encourage the dialogue and enable an equitable balance to be established between the prices of industrial products and those of raw materials — something which is in everyone's interests if a repetition of upheavals such as those of 1973, which aggravated regional imbalances, is to be avoided.

Finally, we must not forget that, while the rise in the price of petroleum products has seriously threatened the economy of the West, it has also drastically affected the already precarious competitive position of the countries comprising what is now called the Fourth World.

A new world economic order may therefore be achieved through a programme of cooperation which is negotiated as opposed to conceded, and which strengthens the autonomy of these countries and enables them to expand trade without having to cope with difficulties with which they are unfamiliar. In the medium-term, there should be a payments union similar to the one which gave the European economy a fresh start some time ago, as well as autonomous marketing networks.

This cooperation is essential, for the whole world is a gigantic network of communicating vessels, within which the Third World is claiming its role as a full partner in order to meet to the increasing needs of its peoples.

This is what must be done if we are to succeed in ensuring normal supplies of the raw materials needed for the industries of our Western societies, while remaining faithful to the principle of social justice; at international level, this is the *sine qua non* for peace in the world of the future.

(Applause)

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

**Mr Liogier.** — (F) Mr President, ladies and gentlemen, this year again, Parliament is being consulted on the future programme for application of the system of generalized preferences. Let me first of all congratulate the rapporteur, Sir Geoffrey de Freitas, on his excellent report and state that we shall vote in favour of the motion for a resolution.

However, I should like to make to the House and the Commission certain remarks on the very principle of



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these preferences. This principle, as you know, was implemented under the terms of a resolution adopted unanimously at the second United Nations Conference on Trade and Development held in New Delhi in 1968.

Not only was the Community the first to implement this principle — in 1971 but for a long time it also stood alone.

Moreover, this effort is by far the most significant to have been made in this field. We can therefore feel gratified. However, what are we to make of this policy? The results are far from conclusive, and I should like at least to voice our doubts.

First of all, the system has not had the scope which might have been expected. It has benefited the partly industrialized countries in particular and, despite the precautions taken, has often aggravated the difficulties facing various other Community sectors, textiles in particular.

It should also be noted that agriculture has all too often borne the consequences of this trade system and of the preferences granted in the fruit and vegetables sector in particular, not to mention large quotas for imports from, among others, state-trading countries which practise a policy of dumping as a means of obtaining foreign currency, and in which production costs and the standard of living bear no relation to our own. Although the whole idea remains good in theory, and is even attractive, we feel it is somewhat disappointing in practice despite the adjustments made every year. It is true that substantial progress has been made for 1977: there will be an overall increase of 39%, a special offer made by the Community, within the GATT framework, in respect of the tropical countries has been incorporated, the ceiling has been raised, the reference year changed and a new system introduced in respect of textiles — and industry which, even our Community, is going through a worsening slump which is causing great concern because of the persistent unemployment to which it gives rise and the reconversion operations which it necessitates.

Undeniable though this progress may be, can it be considered adequate? We do not think so.

As see it, there are several reasons for the limited success of the generalized preferences — although it would be incorrect to speak of their failure, since they have undoubtedly helped greatly to improve trade. It should not be forgotten that when a system of generalized preferences was adopted in New Delhi in 1968, the international economic situation was very different from what it is today. The current world crisis could not have been foreseen then. The international monetary system had not yet collapsed. The Lomé Convention did not exist and the main instrument of the Community's policy of development aid was the Yaoundé Convention. The concept of aid to non-asso-

ciated countries had not yet been considered at that stage. Consequently, the system of generalized preferences was the Community's only way of acting at world level as opposed to a purely regional level, as had been the case up till then.

Furthermore, although the industrial nations were not obliged to implement the system simultaneously, it did call for swift and full implementation by all the contracting parties. Yet today, eight years later, this has still not been done.

Although the list of donors has been growing steadily longer, it has been a slow and difficult process and, as you are aware, there are still some conspicuous absences. Many provisions have been either modified or not, applied since the system of generalized preferences was introduced, which is why the results expected have not always been forthcoming. Today, at a time when international economic relations are jeopardized by the question of supplies of raw materials when the competition balance linked to the social progress of the Third World countries and to the opening up of new markets appears an essential factor, when wealth and solidarity become relative concepts, one is entitled to ask what is the advantage, and indeed the value, of generalized preferences which are under-utilized.

Admittedly, there are plans for seminars and for a documentation, information and advice agency. Even so, we feel that this is neither enough nor very effective.

Our group is by no means against the system of generalized preferences, and we will vote in favour of the motion for a resolution, but it nevertheless has doubts as to its usefulness. The funds at the Commission's disposal are not unlimited. The needs of the developing countries are so great that it is our duty not to misuse the resources we devote to them. This means we must be selective. It is impossible to achieve everything at once. We have already said, and we say again, that since we have chosen to embark on a project as ambitious as the Lomé Convention, under which we hope to provide financial and technical aid to non-associated developing countries and by which is rife in the world, there is a case for asking whether concentrating all the means available on these three objectives would not be preferable, because it would be more effective.

Dissipating our efforts might well mean nullifying their effect. Each Third World country has its own characteristics and its own special problems, so to us it seems futile to seek to solve them by overall and indiscriminate action. Even if it is only one aspect of a comprehensive policy, our attitudes and our assessments with regard to development aid must be based on three principles:

Firstly, priority must be given to the objectives of the Lomé Convention.

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Secondly, this priority should not detract from the attention which we must devote to the other developing countries, although the list must not become inordinately long.

Finally, we should bear in mind the legitimate interests of our own nations. There have been various upheavals since the system was introduced; time and again I have brought this to the attention of the House. Certain Third World countries have, on account of their underground resources, greatly benefited from the rise in the price of raw materials and energy-generating products; on the other hand, the Member States of our Community have borne the brunt of this rise, a fact which should induce us — and may force us — to lower our sights somewhat, if only for us to be able to continue providing aid and assistance to the poorest of the Third World countries.

To sum up, Mr President, development aid requires cohesive action in order to be effective. The Commission feels that the system of generalized preferences should be regarded as an instrument of development cooperation and, as such, should be coordinated with the other measures provided for by general Community policy on cooperation. The Commission is no doubt right, but is it really the most effective instrument? That is the question or at least part of it, for we venture to doubt that it really is the most effective instrument.

*(Applause)*

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

**Lord Reay.** — It was gratifying to hear Mr Liogier speaking on behalf of the European Progressive Democrats. I am sure that Sir Geoffrey de Freitas will be gratified to hear his words in support of the generalized preference scheme, as there have been members of this group who from time to time have had doubts on the scheme of generalized tariffs, particularly from the point of view of the eroding effect they tend to have on preferences given under the Lomé Convention and the beneficiaries of that Convention.

We in the Conservative Group have always believed in the value of the generalized preference scheme. We have seen it as a means of establishing a more balanced Community policy with respect to all developing countries, and we consider that the encouragement of trade with developing countries by means of preferences of this kind is one of the best means of assisting the development of their economies.

As has been pointed out by Mr Muller, this is a field in which the Community was a pioneer, introducing its own scheme in 1971 ahead of all the other schemes that have now been introduced — I think that nine or ten altogether have been introduced by various countries — the latest of which was introduced by the United States this year.

This development suggests that the idea, which was initiated by the Community, has stood well the test of time. Once again the Commission has come forward with a very substantial improvement on the scheme as it has operated until now. Here I agree with Sir Geoffrey de Freitas.

In 1977, the volume of trade covered under the scheme will amount to 6½m u.a. compared with today's 4½m u.a. Forty-six new items are to be added to the agricultural chapters and there are to be improvements in the margins of 70 further items. In many instances the Commission has chosen as new items products which are of particular interest to some of the poorest countries. The Commission estimates roughly that the cost in terms of customs duties forgone for 1977 on this scheme will be 300m u.a. as against 256m u.a. in 1976. In other words, despite a severe recession and strong internal protectionist demands within the Community and the economies of the Community, the Community will have continued to liberalize its trading policy towards the outside world and in this case towards developing countries.

I wish to take up three points, some of which have already been touched on. The first is a matter which Sir Geoffrey took up — namely, the simplification of the existing scheme. I agree with him that it is complicated enough for us to read through that scheme and understand how it operates. I cannot but believe that it must be much more difficult for some of the poorest of the developing countries, with their very underdeveloped bureaucratic systems and so forth, to follow and to understand what their advantages may be under the scheme and to what they may be entitled at any one time. I would therefore encourage the Commission to go further along the road of simplifying the scheme. I certainly agree that the present system is most unsatisfactory whereby developing countries which are exporting to the Community do not know in advance whether or not there will be any of the quota left to them before their imports arrive in the Community. I think that is a matter to which the Commission should pay attention.

Related to that point is the question of the internal harmonization within the Community of the method of application of this scheme by Member States. Can the Commissioner tell us whether the Commission is satisfied with the degree of internal harmonization that has yet been achieved?

Secondly, on the question of the beneficiaries, not one of the 25 poorest countries figures among the ten principal beneficiaries under the scheme. The ten principal beneficiaries under the scheme take up some 72 per cent — a very high figure indeed — of the preferences that are used under the scheme. It is fair to point out that India and Pakistan, although not

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among the 25 poorest on an income *per capita* basis, figure in this list of 10, but many of the other countries — Romania, Yugoslavia, Mexico, Hong Kong, Iran, Singapore and even Brazil — are the countries which get the most benefits as their income *per capita* in all cases is a multiple of that of the poorest countries. I suggest that this balance cannot be right and that we are now in a situation in which the Community has to develop a policy of concentrating its aid on the poorest countries. This is something which has been introduced within the scheme in the textile sector. I think generally it could be carried further.

In the last resolution of Sir Geoffrey's report the question is raised of the erosion of the GSP as a result of agreements subsequently entered into of a preferential kind with other third countries.

Could the Commissioner answer the following questions when winding up on this matter? Does the Commission feel that the GSP scheme has been eroded by the preferential agreements concluded bilaterally with other third countries? Has the Commission received criticism of this matter in GATT? If so, if the GSP scheme is fading away in its value as a means of assisting developing countries, what plans does the Commission have to compensate for this development?

I conclude by reiterating the support of our group for the report of Sir Geoffrey de Freitas and for the Commission's proposals.

*(Applause)*

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

**Mr Bersani.** — *(I)* Mr President, on behalf of the Christian-Democratic Group, I would like to express our complete approval of the excellent report drawn up so conscientiously by Sir Geoffrey de Freitas. In congratulating him on this valuable contribution to the examination of problems which this House has always considered very important I would like to explain briefly the reasons for our Group's approval of the basic conclusions contained in the motion for a resolution.

We have always agreed that there should be a closer relationship between the Community's regional policies *vis-à-vis* the developing countries and the broader, more interdependent approach to the problems of these countries at international level, which is one of the basic aspirations and objectives of our Community.

Following last year's period of stagnation, the growing qualitative and quantitative importance of this policy of generalized preferences is certainly to be welcomed. The volume of the benefits granted to the countries included in the list approved by the Commission has increased thirteen fold between 1971 and 1977, that

is, in just over six years. In other words, over and above the various individual measures, there is a constant underlying trend towards a substantial qualitative improvement, which also affects new sectors. This is reflected especially in the adjustments to the existing system provided for in the proposals for 1977. The rapporteur stated quite correctly, and the motion for a resolution shows clearly, that progress is not limited to this substantial rise, the largest to date, for the range of products affected is also to be extended and the benefits in some particularly sensitive sectors increased. What is more, as all the speakers have noted, this has been achieved despite the economic and financial problems which still face the Western world.

In my view, this is important. We all know that the Community is often accused of pursuing a policy which is not sufficiently outward-looking, and which is sometimes defined as downright protectionist. We also know that the facts and figures in this sector show the opposite to be true. The fact that over 25 % of the exports from Third World countries are channelled towards Community markets by means of comprehensive schemes (such as the one which we are discussing), provides proof yet again of the real nature of the Community's policy of increasing participation in, and instructive contribution to world affairs. Of course, as the motion for a resolution also states, the full implications of this policy have still to be studied in depth: the Commission's report for this year shows a distinct improvement over previous years. In addition, there are many more and far more specific factors to be taken into consideration, as the rapporteur quite correctly pointed out.

For these reasons, I also feel it is essential to pursue our present course in order to take decisions advisedly. The same applies to the delicate problem of the participation of the recipient countries. As the rapporteur and many colleagues have stressed, the distribution is not equitable because the products of the poorer countries enjoy fewer benefits. The range of products must therefore be enlarged in order to tailor the aid to the needs of these countries. The system of information and documentation must also be improved. The proposal to set up an agency is to my mind a sound example of how to tackle the problem. Similarly, the practical machinery of the scheme should be further simplified. What has been done for textiles (a delicate and sensitive sector, but one which is very important for most of the Third World countries) points the way. As the rapporteur stressed several times, we must endeavour to make these measures easier to apply, especially as regards the objective difficulties involved in understanding exactly how the scheme works.

Mr President, I have tried to explain some of the fundamental reasons why the Christian-Democratic Group supports the motion for a resolution and the substance and objectives of this policy. In conclusion,

**Bersani**

we feel that the current trend is gratifying evidence of a policy which is more in line with present-day realities and more outward-looking, and which demonstrates real solidarity with the weakest and poorest areas of the world. As we see it, this is an accurate reflection of the consolidation, the extension and the fulfilment of the Community's responsibilities at international level.

*(Applause)*

**President.** — I call Mr Gundelach.

**Mr Gundelach, Member of the Commission.** — Before addressing myself to the important subject-matter in front of us. I want to express my regret to you, Mr President, and to the House for being absent for a few moments when the debate started. I tried to avail myself of a short passage between two points to deal with an urgent matter of purely personal business. My absence was totally accidental and not intentional. Nevertheless. I regret it.

Once again, the Commission would like to express a debt of gratitude to the Parliament's rapporteur and to the Committee on Development and Co-operation, which has produced another in the annual series of constructive and well-informed reports on the development of the Community's general system of preferences. We also thank the other committees of this House which take a keen interest in this important subject.

The unflinching support of this Parliament for the development and expansion of the Community's general system of preferences, which has been voiced generally this afternoon, has been a source of strength and encouragement for the Commission. One has only to look at the role of the United States Congress in the emergence of the American scheme to realize how easily the reverse could have been true. The main body of the report provides an excellent summary of the Commission's proposals for 1977, so I do not think I need go into details. It may be of value to the House if I draw attention to the more important of the specific changes for which we are calling this year — changes which I am glad the committee highlights as significant and which have been generally supported in our debate this afternoon.

In respect of processed agricultural products, the improvements proposed this year are constituted by the offer on tropical products put forward by the Community in the context of the multilateral trade negotiations currently taking place in Geneva. The Community offer was approved by the Council of Ministers on 5 April and we propose that this offer be put into effect on 1 January 1977.

Sir Geoffrey has very fully explained this improvement and I do not therefore have to go into that again, but, all told, these improvements will constitute the most substantial extension in the field of processed agricultural products since the inauguration

of the Community's scheme, and in large part the benefit of these improvements will go, in accordance with the wishes expressed in this House, to the poorest and least developed countries.

In the industrial sector, there are also a number of improvements which are spelt out in the report. In his remarks this morning Mr De Keersmaecker argued that in this sector the general system of preferences should be extended only in the context of a wide-ranging programme of structural adjustments for European industry. Basically, I agree with him. It is right to emphasize the need for structural adjustments, which implies a much larger measure of adjustment assistance. When the Community, we hope, eventually develops a stronger industrial policy, this will no doubt be done; but for the time being it is vital that we should remember that what is involved in the general system of preferences is not, except in very rare cases, an increase in the overall level of Community industrial imports, but a deliberate and organized shift in their structure in favour of industrial products from the poor countries and — I add, willingly — the poorest countries. What this implies in textiles was well set out by Sir Geoffrey in his report. The Commission has sought to give increased opportunities to the neediest developing textile producers, such as India and Pakistan. At the same time, we have tried to enable the Community to eliminate the undesirable discrimination which has existed up till now between Hong Kong — which was excluded from our textile scheme — and other highly competitive textile producers such as South Korea, Brazil and Yugoslavia, which were included in it.

What then, in sum, is the effect of the scheme that we have proposed for 1977? In terms of overall figures we are offering preferential access to the developing countries for over \$6.5 billion of their exports of industrial products, including textiles, and for over \$1.5 billion of their exports of processed agricultural products. This amounts to an overall coverage of \$8 billions' worth of trade compared with \$5 billion last year.

It is always a danger that when we have annual reports and annual debates on a subject we may lose sight of the cumulative impact of the developments that have taken place over a period of years. I believe that this is a good moment for us to draw breath and take stock of where we have got to with the GSP since we introduced it — the first major trading entity to do so — five years ago.

First, let me give some figures. In 1971, the Community started with concessions in the processed agricultural sector — which, I do not need to remind the House, is one of crucial importance to the developing countries — covering 147 agricultural products, of an annual import value to the Community of some \$50 million. Now, in 1977, the figures are 296 products, with a value of \$ 1.5 billion.

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In the industrial sector the Community started off in 1971 by providing duty-free access for an annual value of less than \$1.5 billion of imports. The 1977 proposals in the industrial sector will cover over \$6.5 billion of these industrial imports.

In short, the value of the imports covered by the Community's generalized preference scheme has risen from \$1.4 billion only five years ago to some \$8 billion this year. Although it is still regrettably the case that the level of utilization falls far short of the possibilities that are open to the beneficiaries, here, too, there has been a striking expansion, from \$550 million worth of trade at the beginning to what we estimate for 1977 as nearly \$4 billion.

The Commission has for the first time this year been able to calculate figures for the reduction in customs duties attributable to the GSP scheme. Our tentative calculations suggest that the customs duties forgone by the Community have risen from about \$69 million in 1973 to an estimated \$375 million for 1977. These calculations should not be regarded as precise statements of the cost to the Community of the GSP, but merely as indicating the order of magnitude of the sums involved.

One cannot, however, assess the value or importance of the GSP simply by studying bundles of financial statistics. I should therefore like to underline the declaration made by the Commission in its explanatory memorandum. When the Community's GSP scheme was inaugurated during a period of economic expansion and prosperity, which made sacrifices easy to bear, it answered a political challenge. Today, in most of the Member States we are passing through a period of recession and uncertainty, so that the GSP has now become also an economic challenge. But in this connexion it is important to remember that the developing countries have been even harder hit by the world economic crisis than have our own countries, and we must not forget that they are among our best customers.

So much for the figures, which I am sure that the whole House will agree are a credit to the Community, and all the more so when contrasted with what other industrialized countries have done, let alone with what the Communist countries have not done.

What broader conclusions can we draw from the operation of the scheme? Here I should like to pick up some of the points made in the report before the House and in the course of the debate today. There is no doubt that the Community's GSP has established itself as a crucial and economically substantial element in our world-wide development policy. In particular, it has been the principal means by which the Community has set out to fulfil its obligations under the Joint Declaration of Intent to see that the Asian Commonwealth countries and the other deve-

loping countries in the same geographical region did not suffer from enlargement, and in our relations with Latin America it has enabled us to demonstrate effectively that we are in no way prevented from taking measures to increase our trade with those countries in spite of our attachment to a special relationship with the so-called ACP countries.

The fact that the Community from the very beginning decided to change and improve its scheme every year has been the key to this success, and it remains vital for the future. In this way we have been able to build it up year by year, from very modest beginnings, to something every bit as significant in its own way as the Lomé Convention but tailored to the very different circumstances of the developing countries concerned. We have here an instrument which has been, and which can continue to be, adapted to the changing circumstances of the day.

The GSP must, however, be seen not only in the light of the Community's direct relationship with the developing countries but also in that of our general philosophy of trade liberalization and progress towards an open world economy. This is the basic answer to the criticism voiced by, for example, Lord Reay, that, as tariffs come down, and in some cases are completely eliminated, the developing countries benefit under the GSP not from a preference but only from a right of equal access. It is, of course, true that when tariffs are zero a preference cannot be offered. But I think the House would agree that it would be quite contrary to the Community's interests if, just to preserve preferences for developing countries, we were to freeze tariffs and reverse our movement towards trade liberalization.

In the conclusions which the committee attaches to its report a further criticism is advanced, that the exports of the developing countries under the GSP are subjected to too many quotas and ceilings. Sir Geoffrey very eloquently expanded on this subject this morning. I would not disagree with much of what has been said in this regard. Indeed, the Commission would like to see a reduction in the number of sensitive and semi-sensitive products under quota. But let us look at this problem in perspective.

In the first place, the number of these restrictions has been sharply reduced over recent years. And they are the direct reflection of the fact that our GSP has such an extensive product coverage. In its application of the basic UNCTAD principle of allowing duty-free access to all manufactured and semi-manufactured goods coming from developing countries, the Community is in fact the only donor whose product coverage is virtually comprehensive. We have always taken the view that a system of quotas and ceilings was a price worth paying to avoid the total exclusion of some products, which other donors practice.

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Secondly, the House should remember that these quotas and ceilings are not merely restrictive in their effect: they also constitute in practice guaranteed totals of access uncluttered by the threat of safeguard clauses of various kinds which are to be found in the schemes of other donors.

In the third place, the House should remember that the ceilings on non-sensitive products are really nominal, that for semi-sensitive products re-imposition of the tariffs when the ceiling is passed is by no means automatic or invariable and that the sensitive list apart from textiles has now been reduced to no more than 16 items, compared with the original 52 — and furthermore we have a Community reserve system operating, or planned to operate, in respect of six of them. This is an improvement for which the Parliament has frequently and rightly pressed.

For all these reasons I cannot accept the suggestion in the conclusion of the report that the regrettable, continuing low level of utilization of the GSP is principally caused by the existence of quotas and ceilings. The problem of under-utilization is a good deal more complex than that. Much of it can be characterized under the generic heading of lack of full understanding on the part of the beneficiaries of how best to make use of the potential benefits of the scheme, but also there is the lack of development.

In my view, we have to attack both aspects of the problem of under-utilization. We have indeed to continue year by year to reduce and minimize the restrictive aspects of our scheme. But we also need to lend what weight and experience we can to helping the developing countries, and particularly the poorest among them, to learn how best to take advantage of the scheme. This is a point on which Lord St. Oswald and others laid particular stress in the course of the debate, and it is one of the main ideas behind our proposal for establishing the European Agency for Commercial Cooperation.

I am glad to be able to tell the House and those who have intervened on this point that the Commission sent this proposal to the Council last week. I know that this idea has always enjoyed the full support and indeed sponsorship of this House, and I hope you will now help us to get the Agency established as quickly as possible.

I should now like to comment on the request, which has been repeated by the Committee on Development and Cooperation and to which Mr De Keersmæker has referred, for a speedy revision of the list of beneficiaries. First, I must point out that the Community has in fact committed itself not to remove any country from the list of beneficiaries during the lifetime of the initial offer made in UNCTAD. The Commission has always taken the view that the Community would be most unwise before 1980 to try to classify countries as rich and poor for the purposes

of the GSP, excluding the former from its benefits. The experience of the United States, which attempted to write exclusions of various kinds into its scheme, I think proves this. The idea provoked such a violent international reaction that the Americans had to back down and substantially modify their original proposal. The Community, which is much more dependent on developing countries for its supplies of oil and many other raw materials, cannot afford to put at risk the good relations which it has laboriously built up over many years.

However, the Commission is by no means ignoring this question. In its communication to the Council of Ministers 18 months ago on the future development of the GSP, it singled out harmonization between the donors of their lists of beneficiary countries as perhaps the most important aspect on which after 1980 the donors will be required to adapt their various schemes to achieve a much greater concentration on the needs of the poorer countries. This problem is, therefore, and will continue to be, very much on our minds.

In the meantime the Community is continuing to refine its GSP as an instrument of development policy and, in particular, as a means of channelling assistance to the most needy countries. The House is aware that from the outset the administration of the Community's preference scheme has been controlled not merely by means of ceilings and quotas but by the application of butoirs or maximum country amounts, which limit the performance of the more competitive countries.

Now we are proposing to introduce an entirely new régime for textiles, a régime which has been welcomed this afternoon and which quite explicitly differentiates the benefits offered between competitive and needy countries, and we have openly stated that if this régime is accepted by the Council of Ministers and proves effective in operation, we shall contemplate extending it in future to the full range of sensitive and semi-sensitive industrial products.

I think that I am therefore giving a positive reply to questions which have been raised on this point this afternoon.

What of the future? The report puts forward in paragraph 35 the interesting idea of a 'post-GSP strategy' based on bilateral agreements between the Community and individual developing countries. This would, of course, mark a fundamental break with the basic principles of the GSP — that preferences should be non-discriminatory between developing countries, that they should be non-reciprocal and that they should be autonomous and not contractual. That is a lot of principles to break at one step, and I think I would counsel caution here.

For its part, the Commission has not put forward any blueprints or strategies on the pattern of trade rela-

## Gundelach

tions that might emerge in a period beyond the open-ended extension of the GSP after 1980, which was approved by the Council only last May, for the simple reason that we do not think that to do so is either necessary or desirable now. As I said earlier, I think one of the greatest strengths of the Community scheme is its pragmatism and adaptability. Let us not put that at risk in the search for conceptual tidiness. We are very well aware that the beneficiary countries are concerned by the lack of certainty as to the duration of the GSP. We are trying to meet these anxieties by seeing to it that each year we develop the scheme in a positive sense. And both in the North-South dialogue and in the multilateral trade negotiations the Community has indicated that we might be prepared to undertake to consult developing countries about any reduction in concessions that could affect them.

Having said this, I should like to revert to what I said earlier in my speech, that there is a need, both for internal Community reasons, the orientation of our own industrial development, and for reasons of proper international cooperation, for some better view, some kind of structure within which we develop this kind of trade operation. But, as I said at that stage, neither our Community policies in regard to industry and other economic policies nor the concomitant aspects of international trade and industrial policy are developing to such a point where we can as yet undertake this kind of structural reform. However, we should not forget that we shall not be able to solve the problems between the North and the South unless at some appropriate point we are able to put this kind of trade operation in a broader and happier framework.

In the meantime, if anybody questions the priority which the Community accords in its trade policy to the interests of the developing countries, we are entitled to point to the fact that we have continued to expand and develop the general scheme of preferences even in a period of recession.

Mr President, you will allow me at this point a personal note. Whilst I have been in my capacity responsible for the customs union involved in the development of this programme, you are aware that I am speaking this afternoon on behalf of Sir Christopher Soames, who is unfortunately absent owing to ill health. It would have been his last presentation of this subject to the House in his capacity as Commissioner for Foreign Relations in the Community. I think you will allow me to say that great credit is due to Sir Christopher Soames and the staff of pioneers around him who have developed this scheme over the last four years with the full support of the House, and I think it would be fitting, since he is not here today, that he should be congratulated on one of his finest achievements in the service of the Community.

It is an encouragement that we have been able to carry through this policy in this kind of economic

climate, thereby establishing part of the basis for a new, healthy relationship between the developing countries and us.

At the end of my discourse I do not want to start a philosophical debate about trade versus aid, but it goes without saying that many developing countries will need substantial aid for years to come. If we are to attenuate the inevitable tensions that exist between the donors of help and its recipients, surely it will be by providing for a broadening flow of trade between us, a flow of trade that reflects their will to help themselves and our will to encourage them to do so.

As I stated before, the record of the Community's institutions in this matter — the Parliament, the Commission and the Council — is second to none, and it is an achievement which proves the vitality and the outward-lookingness of the Community.

*(Applause)*

**President.** — I call Sir Geoffrey de Freitas.

**Sir Geoffrey de Freitas, rapporteur.** — As the rapporteur, I join the Commissioner in what he said about his colleague, Commissioner Soames, and the work he has done, especially in this field. I should also like to thank the Commissioner for this further information about a new agency for trade cooperation with the developing countries. Parliament has pressed for this for several years, and I am sure that Parliament will help. The Commissioner asked whether we would help. I cannot speak for Parliament, but I can speak for the Development Committee, and I am sure that we shall be willing to recommend to Parliament that it should help in every way.

This morning I drew attention to the absence of any Commissioner when we began our debate on the Commission's own important document. As the House will recall, I refused to continue presenting my report until a Commissioner appeared. I would do the same again if circumstances arose. Unfortunately, however, it was Commissioner Gundelach who was due to reply for the Commission and he had been in the Chamber for three hours and was, of course, entitled to a few minutes outside. Whatever some of us may think of one or two other Commissioners, none of us has anything but the greatest respect for Commissioner Gundelach's courtesy and consideration. I am sure that I speak not only for my committee but for all of us when I say this.

Thank you, Mr Gundelach, and I hope that my honourable friends and others will give the motion for a resolution a unanimous vote.

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

The resolution is adopted.<sup>1</sup>

<sup>1</sup> OJ C 259 of 4. 11. 1976.

9. *Action programme for the achievement of balance in the milk market*

**President.** — The next item is the report (Doc. 343/76) drawn up by Mr De Koning on behalf of the Committee on Agriculture on the

Action Programme (1977 — 1980) for the progressive achievement of balance in the milk market and the proposal from the Commission to the Council for a regulation introducing a premium system for the non-marketing of milk and milk products and for the conversion of dairy cow herds.

I call Mr De Koning.

**Mr De Koning, rapporteur.** — (NL) Mr President, I should like to begin my introduction to this report by saying that we must accept that a lot of people, both farmers and consumers, will find it strange, to say the least, that we are today discussing measures here for restricting milk production. After the months of droughts this summer the great question in large parts of the Community is how to keep stock alive and how to help the animals through the winter. Anyone who looked around in Europe this summer, in Germany, in Belgium, in France, in the Netherlands, in parts of Great Britain and so on, can well imagine this anxiety.

Many measures have been taken to combat the effects of the drought. It looks as if these measures, in conjunction with the mild rainy weather so far this autumn, will be successful, although the danger is not yet past, particularly since a late, cold spring could still present us with great problems, especially in the stockbreeding sector.

People forget quickly and the anxiety about the bad harvest seems to have faded again. We must, however, realize that for hundreds of thousands of farmers in the Community there is still a long way to go before the effects of the drought are overcome. These effects will still be apparent next year.

The report with which we are concerned this morning still bears the marks of the drought, and in my view this is as it should be. The first four paragraphs in particular deal in some detail with the effects that this drought has had, above all for producers, who have been faced with reduced yields and sharply increased costs, particularly for winter feedstuffs. In the dairy sector, despite all the aid, there will be losses this year amounting to thousands of millions. We must realize that a sector which is already among the least profitable in the Community is hardly able to bear these losses. And in precisely this sort of situation we come and put further burdens on the producers. I think that we must understand the psychological effects of this, and that in imposing these burdens we must proceed with great caution. The Committee on Agriculture is thus of the opinion that both the amount of the burdens to be imposed and the time for imposing

them must be subject to certain reservations. The final extent and all the consequences of the damage resulting from the past summer must first be clear before we take definite decisions. There is no point in imposing new burdens on people who cannot bear them.

Even seen over a longer period, i.e. independently of the past summer, dairy farming in the Community does not present a very cheerful picture.

In less than a single generation the number of dairy farmers has been reduced by about a half. Despite this the structure of the sector is poor: two-thirds of dairy farmers milk less than 10 cows; incomes are low and there is a structural increase in production, which is outstripping demand. Therefore, particularly on account of this last factor, we are now obliged to tell tens of thousands of dairy farmers to do away with their dairy cattle and find a new source of income. We have to do this although we know that these people have invested all their knowledge, capital and effort in their farms and are often not in a position to find other work. We are now, however, faced with the dilemma of either having continuing large surpluses or imposing further cuts on an already shrinking sector. The underlying cause of these problems is the technological revolution in stock farming — in breeding, fodder production and mechanization — which makes it possible for two men to look after a hundred cows on a highly modernized farm, whereas less than a generation ago two men had their work cut out to look after 25 cows. Over this period the yield per cow has also grown considerably. This development over the past few years is reflected in the steadily increasing stocks of skimmed milk powder, while on the other hand we again also have a very sizeable stock of butter. This process is also reflected in the thousands of millions of u.a. from the EAGGF which are needed to finance the stocks; for the coming year a sum of two thousand million units of account has been set aside for the dairy policy. We are thus confronted with the need to change our policy.

The European Commission has submitted to us five proposals with the aim of limiting production and increasing sales. The Committee on Agriculture is able to agree in general terms with four of the five proposals, albeit with some reservations. The Committee rejects, however, the fifth proposal, the levy on vegetable fats. The report says that we reject this 'wholeheartedly', and I have nothing more to add.

I have just one comment on each of the other four proposals.

With regard to the non-marketing premium and the conversion premium I should like to ask whether the Commission can promise to submit the report on the application of these schemes not only to the Council but to Parliament as well.



## De Koning

I should also like to ask the European Commission to implement these measures quickly since for many stock farmers the present tight fodder situation could be an extra stimulus to make immediate use of the scheme.

The Committee on Agriculture regrets that no direct connection has been made between this scheme and that to encourage cessation of farming. It will after all be extremely difficult for a stock farmer who gives up milk production to make his farm profitable in another way. I have already said that the economic recession makes it equally difficult to find other work outside one's own business.

Finally on this point, we should like to ask for attention to be given to the development of the beef market. The scheme can only be successful if the redundant cows can be disposed of at a reasonable price.

With regard to the suspension of support measures we think it right for no aid to be given for the time being that would lead to an increase in production. On the other hand, we also think that the modernization of stock farming and of the processing industries must continue. Therefore, we should like to maintain aid for projects which are directed at the improvement of operating conditions and at rationalization, but once again on the express condition that there is no increase in production; there is no sense in mopping up while the tap is still running.

Further, I should like to ask the Commissioner whether the limit he has proposed of 1.3 cows per hectare for holdings with a development plan is in practice realistic. Holdings with development plans will after all be mainly intensive farming units.

The most difficult point in the whole set of proposals is the milk levy. We believe this is indispensable in present circumstances, both as a warning to stock farmers that the limits of marketing possibilities have been reached and as a means of making extra funds available for overcoming the marketing problems. We would, however, point out here that such a levy must be of modest proportions, that it must be temporary and that it should only be imposed insofar and as long as the market situation makes it necessary. At the same time producers must have a say in how the money is spent.

We generally support the extra measures the Commission proposes to boost consumption, and we would stress the need for a considerable extension of shipments of milk powder under the food aid programme, naturally with guarantees for the continuity of supplies.

In this connection it is incredible that in the draft budget the Council has cut by a third the supplies of skimmed milk powder for food aid proposed by the Commission. I know that this point is more relevant to the debate we are to have in Luxembourg in two weeks' time, but I none the less feel obliged to say here as well that this is in gross contradiction to the actual situation in the Community and to the needs of the developing countries. We wish to insist that long-term export contracts should be signed with third countries for dairy products, among other things.

Finally, the Committee on Agriculture wishes to draw the European Commission's attention to two other important subjects.

Firstly, in present conditions the price ratio between compound fodder and milk can be expected to constitute a continuing stimulus for milk production. Will the Commission continue to give this some thought?

Secondly, despite its rejection of a levy on vegetable fat, the Committee on Agriculture is still of the opinion that the relationship between vegetable and animal fats and that between vegetable and animal proteins deserve particular attention from the European Commission.

There are still some aspects of the Commission's proposed package for which no firm implementation details have been given; we shall thus have to return to this subject fairly frequently in the near future.

In sum, therefore, the Committee on Agriculture proposes that Parliament should give its approval to all the proposed measures, except the levy on vegetable fats. I trust that the Commission will take account of our reservations and of the comments made in the resolution when it develops its proposals, and I hope above all that these measures will serve to establish the much-needed balance in the dairy market.

IN THE CHAIR : SIR GEOFFREY DE FREITAS

*Vice-President*

**President.** — I call Mr Houdet.

**Mr Houdet**, *Chairman of the Committee on Agriculture.* — (F) Mr President, ladies and gentlemen, with his customary exactitude, his thorough acquaintance with the problem under consideration, and the impar-

## Houdet

tiality and perspicacity which all his colleagues have come to expect, Mr De Koning has just presented his report on behalf of the Committee on Agriculture on the action programme for the progressive achievement of balance in the milk market.

Congratulating Mr De Koning on such a brilliant piece of work would be no more than a commonplace if it were not an expression of the friendship we all feel towards him.

I have no intention of detracting from the report and its conclusions, nor even of enlarging upon them, since they are an accurate reflection of our discussions. Nevertheless, at the start, in plenary session, of a debate to which we attach such importance, I hope you will allow me to make a few brief remarks.

The question was, and still is, whether today's debate comes at the right time, when the present state of cattle-rearing is so precarious because of the aftermath — the full extent of which is not yet known — of the drought which has afflicted most Member States. Let us not forget that 65 % of dairy holdings have less than ten cows; that their income depends entirely upon regular sales of milk, the price of which determines their economic survival; that liquidating their dairy herds will have medium-term effects which cannot yet be foreseen; and that social consideration come before rapid economic integration in the case of dairy holdings.

We must obviously aim at improved structures, which should not only make these family holdings more consistently profitable, but should also substantially improve the often extremely arduous working conditions.

Restructuring is a slow process, especially as the governments of the Member States do not, alas, seem over-anxious to implement the directives on reform adopted by this Parliament in 1972.

It would be tempting to ask the Commission and the Council of Ministers to postpone the examination of their proposals until we know the full extent of the damage.

However, as the rapporteur has already stated, we realize that urgent measures are required to tackle a problem which has been facing us for some time and which has remained unsolved despite the opinions of Parliament on the Commission memorandum of 5 November 1973, on the price proposals for the 1976/77 marketing year and on the stocktaking of the common agricultural policy presented to you by Mr Scott-Hopkins in June 1975.

That is why the Committee on Agriculture made a point of asking you to keep the examination of proposed or supplementary solutions on the agenda of this part-session. The fact is that, despite the summer drought, surplus stocks in mid-September stood at approximately 400 000 tonnes of butter and 1 300 000

tonnes of milk powder, even though decisions had been taken and implemented to reduce this milk powder surplus by 600 000 tonnes by adding it to animal feedingstuffs and increasing supplies to developing countries.

A further reason for pressing on with this debate is that the Commission, quite apart from questions of principle and its intentions, has put forward two specific proposals — non-marketing of milk and conversion of dairy herds. Without wishing to anticipate your decision, ladies and gentlemen, I would like to say that these proposals, if adopted and implemented rapidly, should go a long way towards reducing surplus stocks in the medium term.

That is why I welcome this debate, but it must be followed up quickly by a second debate on the five specific proposals which the Commission submitted on 7 October and which the Committee on Agriculture will be examining at its forthcoming meetings.

I should like to protest against certain criticisms levelled at the Common Agricultural Policy, to the effect that organizing the agricultural markets on the basis of price maintenance alone leads to the buildup of a number of 'mountains' which cost the EAGGF vast sums of money.

It is mistaken, I feel, to level this accusation indiscriminately at all agricultural products. Our Common Agricultural Policy is certainly very costly, and it is our duty to attempt to reduce expenditure where necessary. The problem, however, is to decide in which sector savings can be made without breaching Article 39 of the Treaty of Rome, which provides not only for guaranteed producer incomes, but also for regular supplies to consumers at reasonable prices.

These co-called 'mountains' are frequently no more than stockpiles which make it possible to avoid shortages in lean years, something which would cost the consumers and the EAGGF far more than the absorption of short-term surpluses. We must not forget the shortages of cereals and sugar in 1973, and soya beans in 1975, caused by speculative price increases on the international markets.

Nor must we forget that the absence of a market organization for potatoes is responsible for the poor supply situation at present.

While it is a relatively simple matter to gear down industrial production to the demand, this is not so in the case of agricultural production, which is at the mercy of the weather, which it is impossible to predict at the start of the marketing year and at crop rotation time.

However, like many of you here, I realize that the surpluses in dairy products have assumed a structural character which calls for urgent measures, and that they may thus rightly be called 'mountains'. Hence the need to take action without delay.

## Houdet

I shall not go into the details of the Committee on Agriculture's proposals, which Mr De Koning has already dealt with consummately. I shall merely raise one point which has been the subject of heated discussions in committee — the financial co-responsibility of milk producers and the levy on certain vegetable oils and fats.

Today, you will be asked only to decide on the principles, the details of which were given by the Commission on 7 October in its Proposals Nos 522 and 537 with which you are not yet acquainted. Nevertheless, this procedural question is of some importance.

I would remind you only that this levy on fats and oils was examined and approved by Parliament as long ago as 1964 on the basis of a report by our lamented colleague Francis Vals. At that time, however, it had been presented in isolation and it could have been argued that it would intensify competition between vegetable fats and oils and animal fats and oils to the advantage of the latter. This is no longer the case today, since it is linked to a levy on dairy produce payable by the producers alone, and to reject one and not the other would result in a renewed increase in competition between these products.

Mr President, I shall not today go beyond this observation, which concerns one of the basic financial elements of the proposal before us. I shall have occasion to return to the matter when we examine Proposals Nos 522 and 537 at a future part-session. We shall also take up this subject again when we come to study the agricultural prices for the 1977/78 marketing year, for the decisions you take today will undoubtedly have an effect on these prices.

*(Applause)*

**President.** — I call Lord Walston to speak on behalf of the Socialist group.

**Lord Walston.** — On behalf of my group, I very sincerely congratulate the rapporteur on what is an admirable report — objective, clear and not unduly verbose. In the same way I congratulate him on his explanation of it.

We support the report, but we do not support it without some reservations. As it stands, it is acceptable, although in my view it could be improved and I hope it will eventually be improved upon in the light of some of the amendments. I propose now to make three points only.

First, there is the question of the short- and medium-term situation. We all know — and Mr Houdet has very rightly pointed it out — that there is a serious surplus of milk production and dairy products. This has been going on for a long time. The cost to Community funds is unduly high. I am putting this in very mild words. It does no more than highlight some of the deficiencies of the Common Agricultural Policy that too much milk and too many other products are

produced. But to put the matter into proportion, it is only right to mention that the over-production is only of the order of 10 % — in other words, not very much more than a month's supply. That as an insurance policy, although it is unduly expensive, is not as outrageously expensive as some people make it out to be. But for all that, it is too expensive; it is too much of a strain on Community funds, and this must be restrictive. For those who are believers in the market mechanism, the answer is simple. They say, 'Reduce the price and less milk will be produced'. But that is not the way things work. The small producer — and perhaps I should say that when I started milk production some 40 years ago I was milking 12 cows and my wife and I put it into bottles and distributed it — must maintain his income. If the price of his product falls and he has a dozen cows, five cows or four cows, his reaction is, 'I must produce more milk in order to keep up my income', he goes out and buys another cow and production goes up. The large producer — and today I am what is called a large producer, milking 120 cows with two men, which is why I am here now instead of milking my cows, which might be more productive — if the price of milk falls says, 'I have my interest charges to pay, my rent to pay, my wages to pay; I must keep up my income' — and he goes out and buys some more cows. Thus the reaction to a fall in price is inevitably in the short and medium term and increase in production. This is borne out by some figures which the very able staff of Parliament has provided for me, which, without going into details, at least show very conclusively that there is no correlation between price movements and the actual amount of any commodity that is produced or the area that is sown to it.

Therefore, the answer cannot lie in the price mechanism. It can lie in effect only in restricting the amount of any commodity — and today we are talking about milk — which is taken into intervention and which is subject to guarantee. That is, and must be, the correct answer to all the problems of our Common Agricultural Policy. I am not suggesting we should urge that to be done today. I hope that it may be done tomorrow or next week. But today I would accept as a first, though — for a man of the character of Commissioner Lardinois — a surprisingly hesitant, step towards this the concept of co-responsibility. The importance of co-responsibility is that it should bear a direct relationship to the amount of surplus that is produced. The larger the amount of surplus, the greater is the producer's responsibility and the larger must be the amount of levy that he has to pay. It is no good leaving the amount of levy to the whims or desires of the Commission or to the horse-trading in the Council of Ministers. It must be an automatic sum, rising as the surplus rises and falling as the surplus disappears. If that system were introduced we should be going a long way to solving some of our agricultural problems.

### Lord Walston

The long-term problem, if anything, is more serious. The trouble with milk production in the Community is not that we have too much milk; it is not that we have too many cows. It is that we have too many farmers, and we must face that bluntly. We shall never solve this problem structurally in the long term until we reduce significantly the number of milk producers. Because of the great preponderance of small farmers, that inevitably means that many more small farmers — who incidentally are the higher-cost producers — will go out of production than will large farmers.

The Commission is right in giving incentives to farmers to move out of milk production, but it will never succeed to anything like the necessary extent unless there is a much more comprehensive and all-embracing policy for rural industrialization, bringing industry into those rural areas where there are too many farmers. Let us have retraining grants by all means, but there must be more alternative work for them and for their children. We welcome these proposals as they stand, but let us not fool ourselves that they are any more than the beginning.

The third matter to which I wish to refer is the levy on vegetable oils and fats. I am glad that the report comes down so equivocally against it, because it is an impossible suggestion. The whole object of the Common Agricultural Policy must be to provide the consumer with the food he wants at the lowest prices consistent with a decent standard of living for those who produce it. We must have security of supply, and we cannot go along with making one important item of food yet more expensive and restricting the choice of the consumer, quite apart from any health aspect.

I end by assuring the Commission that in so far as the Commissioner and his staff and colleagues work towards the objectives I have set out, we shall give them all the support we can, but where the Commission departs from these principles, we shall oppose it with all the force at our command.

### IN THE CHAIR : MR YEATS

#### *Vice-President*

**President.** — With the agreement of the other group speakers, I call Mr Scott-Hopkins to speak on behalf of the European Conservative Group.

**Mr Scott-Hopkins.** — I am grateful to my colleagues for allowing me to speak now. I have, first, the pleasurable duty — as did Lord Walston — of congratulating our rapporteur, Mr De Koning, not only on the clarity of his report, which clearly sets out the arguments, but also on the method by which he presented it. It is indeed refreshing for a rapporteur to take much less than his full time in presenting his report. Mr De Koning presented his report with extreme clarity, and it will be of great value to us.

My group supports the report and the Commission's proposals with reservations. The reservations are obvious ones, and I shall briefly mention them. I do not know how many times we have discussed the milk problem in the House. During the last year we seem to have spent an inordinate amount of time discussing liquid milk, the dairy farmer and surpluses.

When Commissioner Lardinois comes to make his intervention, he has to give us some facts and figures about the present situation. For instance, it is relevant to part of Mr De Koning's report and the Commissioner's proposals to know what has happened about the 400 000 tonnes of dried milk. Has it all gone? Has only 300 000 tonnes gone? Will it finish at the end of October or at the end of November?

We would like to know that.

The next point to make about this is: what are the forecasts he has? What is the situation to be regarding liquid milk? What is the production? Will it go up? Will it stay as it is because of the drought that we had in the summer, or is it expected to increase? What is the situation in respect of the reserves not only of dried milk but of butter and other milk products? What are the forecasts that the Commissioner has for these products during the coming months, when, as we hope, the proposals that he is putting forward are adopted by the Council of Ministers at their meeting next week or the week after?

I am sure that what Lord Walston has said is correct. It is only 10 %, and it is said that this will not be an enormous drag on the Community's finances, but I have an awful feeling that what is there and what will come will present a grave problem. I hope that these proposals will not get themselves mixed up with the annual price-review and that there will not be any horse-trading backwards and forwards with these proposals — the three negative and the two positive proposals — which Mr Lardinois is putting forward. If the non-marketing premium or the levy, be it on vegetable oils or on milk, gets mixed up with fixing the price of milk, I tell the House that Commissioner Lardinois's price-structure plans are lost. It must be kept separate. I regret that we have not been able to deal with this earlier. It looks as though it is concertinaing into the time when the negotiations between the nine member countries and Commissioner Lardinois are to take place on the annual price-review. I hope that with his customary skill he will be able to keep these two issues separate.

I turn now to the report and what Mr De Koning said. There are five factors — three negative and two positive. I shall deal with the two positive ones first. They are the conversion premium and the non-marketing premium. They seem to be the only ones that are positively encouraging dairy farmers to get out of farming. The problem is that we have 1 million or one-and-a-half million too many cows in production throughout

### Scott-Hopkins

the Community. They must be got out. We ask whether what the Commissioner is proposing is sufficient to achieve that end. Shall we find that the premiums are attractive enough to get the smaller farmer out of milk and to give him a decent livelihood in something else?

Are the conversion premiums satisfactory, and will they be sufficient to get the larger farmer to switch from dairy farming into a different type of farming? I take the point that Mr De Koning made, that the beef-and-veal sector is extremely sensitive and fragile. If many farmers use the conversion premium to go into beef-and-veal farming we may have a difficult situation. We must not provide encouragements for people to go out of dairying into another sector of farming and then find, as happened in 1973-74, that the sector to which they have gone becomes a liability to them and that a surplus is created and prices crash, and before you know where you are there is a great lack of confidence among the farming community.

I hope that encouragement will be given to the dairy farmer not to go into the beef-and-veal sector but to go into the cereal sector. In some areas that is impossible, because of climatic and soil conditions, but where it is possible I hope that this will be the main thrust of the policy. If grain surpluses arise they are much easier to handle than are beef surpluses and other meat surpluses, or even milk surpluses.

On non-marketing, with the figures of 90% and 70% varying with the amount of milk produced, I cannot help questioning whether this will be sufficient. I hope it will be, but in this context we are dealing with the smaller farmers. They will find that their weekly milk cheque, on which many of them rely, has suddenly been cut off. They will find themselves in financial difficulties unless we carefully think out the scheme before we put it into practice. Basically, we know that there is a great deal to be done structurally. Member countries have not implemented all the structural measures that this House has passed, many of which are still waiting in the dusty pigeon-holes of the Council. We can only hope that the Council will move forward with them and that the member nations will themselves implement those measures of structural reformation which should go hand in hand. We want some of those farmers who are finding farming on a small acreage difficult to get out of farming and go into other employment.

I turn to the three negative proposals. I say 'negative' because they either impose fines or levies or take away existing grants or subsidies. The negative ones entail the abolition of grants to the dairy sector. I am delighted that in his report Mr De Koning recommended that this should not be so. To discourage the modernization and continuing improvement of the dairy sector would be a complete negation of what we have been trying to do over the years by way of the

Common Agricultural Policy in improving the general efficiency of dairy farms. We do not want to encourage them, by grant, to build up herds, but there are many measures which are useful and which should be continued.

We do not want to encourage anybody to go into dairy farming and start up dairy herds and get a grant for doing that or for extending or enlarging the facilities for milking.

With the other levy there has been a great deal of difficulty. 'Co-responsibility' is the word used here. When the first proposal came from Commissioner Lardinois, I listened to it, and it seemed to me that he was saying that we had to impose a levy on dairy farmers because they were producing too much. When he first spoke it seemed that the levy was to go on at the dairy where the milk was delivered and from there on to the consumer. I understand that that is not the intention of the Commissioner. It was because at that stage he thought that the levy would go on to the consumer and that the consumer would have to pay a higher price for liquid milk or other milk products. That was the argument and the logic behind imposing the tax on vegetable oils at the same time.

Now I believe the intention is that the levy will go back from the farm gate to the farm, and that producers of milk will be penalized. I cannot help asking the Commissioner whether it would not have been easier to see that the intervention price of milk was such that it was not profitable to produce milk straight for intervention. Would it not have been better to have a more flexible system, with the intervention price calibrated on a seasonal scale? That is not the proposal that we have in front of us.

In principle we have to accept what the Commissioner is putting forward, that there should be co-responsibility. But timing is absolutely important. This is not the first time that we have heard about this. The Commissioner came forward with this proposal before the drought hit Europe. He must be very careful to see how this levy is going to work.

As has been said by Lord Walston and the rapporteur, we cannot possibly accept the levy on vegetable oils. I know that it is dear to our Commissioner's heart and he will say that this is not the first time that the proposal has been put forward in this House, but it is utterly wrong at this time to try to bring in this tax on vegetable oils, which may have only a minimal effect, but nevertheless some effect, on the consumer of vegetable oil products. Politically, I beg the Commissioner to reconsider it. It is unacceptable. It would be best to withdraw the proposal before it gets to the Council of Ministers.

In principle we support what the Commissioner is trying to do to deal with the milk surplus and to remove the 1 million or one-and-a-half million cows and bring in co-responsibility, and so on. This will be

**Scott-Hopkins**

on a temporary basis, and we cannot accept some of the details, but Mr De Koning should be congratulated on putting forward the report, which is in principle acceptable to my group.

*(Applause)*

**President.** — I call Mr Bangemann to present the opinion of the Committee on Budgets.

**Mr Bangemann, deputy draftsman of the opinion.** — *(D)* Mr President, Mr Durand regrets very much that, as its draftsman, he is unable to present the opinion of the Committee on Budgets himself. He has asked me to do this on his behalf.

Although the Committee on Budgets naturally cannot and does not wish to pronounce on the effects of this programme on agricultural policy, it is very difficult to draw a line between budgetary consequences and pure agricultural policy — the one implies the other. I therefore ask the members of the Committee on Agriculture not to take it amiss if the Committee on Budgets makes certain remarks which might have some bearing on agricultural policy.

Firstly, the Committee on Budgets warmly welcomes in principle the Commission's proposal designed to eliminate the imbalance between the guarantee and guidance funds and to turn to some extent from pure price measures to structural measures. The Committee on Budgets has been pressing for this for some time, and it considers that the Commission's proposal will help to facilitate these urgently needed structural changes and will thus have a favourable effect on the budget.

Having first said this, the Committee on Budgets would nevertheless like to make a number of criticisms and table Amendment No 4, which I shall also move in this speech.

In the first place, the Committee on Budgets has repeatedly pointed out that the procedure involving management committees and the fact that the decisions of such committees are in fact regarded as the most important ones can lead to a certain restriction of the Commission's responsibility for implementing the budget. We should like to stress yet again that the Commission must always interpret and apply the proposed rules of procedure in such a way that it maintains its full responsibility for the budget, because this responsibility cannot be transferred to management committees.

Although the Committee on Budgets does not object in principle to the financing system chosen, previous experience has shown quite clearly that this system is not an entirely suitable way of ensuring that all the funds reach the producers. In the past we have found with similar financing systems that those Member States which are principally involved in the procedure submit very few applications, and in some cases not at

all, with the result that the funds allocated cannot be spent. This point should also be borne in mind so as to ensure that the very object of the exercise is not defeated through a lack of applications, or through their being submitted too late.

In the final analysis — this is our main concern and is reflected in Amendment No 4 — the Committee on Budgets is fundamentally opposed to budgetary limits being imposed in regulations, so that they are more or less binding. We propose therefore that Article 9 (1) be deleted, because it stipulates with more or less binding force that the estimated cost shall be 160 million u.a. The Committee on Budgets has two reservations about this. First, from a practical point of view, it is not known whether the estimate — which can of course be based only on very approximate figures — will be actually borne out by subsequent developments. Secondly — and this is in fact the main concern of the Committee on Budgets — if such amounts of expenditure are laid down in every regulation, then to all intents and purposes the budget itself becomes nothing more than the sum total of all the items contained in the various regulations. That cannot be the purpose of budgetary policy, which ought to shape Community policy instead of being just a list of items of expenditure.

For this reason, and not because we object to the possible amount of expenditure, the Committee on Budgets has — with the rapporteur's approval, I believe — tabled Amendment No 4, which on behalf of the Committee on Budgets I would urge you to approve.

To avoid any misunderstandings from the outset, I should again like to stress, Mr President, that we do not object to such expenditure being incurred, because we too regard the principle as correct. We believe, however, that it is not good budgetary procedure to stipulate the amount of such expenditure in a regulation.

IN THE CHAIR : MR SCOTT-HOPKINS

*Vice-President*

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

**Mr Martens.** — *(NL)* Mr President, Mr De Koning will forgive me for not adding to the tributes that so many Members have paid to him. He knows the great esteem I have for his work and how well I am aware of his expert knowledge.

I shall divide what I have to say into two parts. The first will be an analysis of the milk market and of the causes of its imbalance. The second consists, among other things, of a number of views on the concrete proposals that have been tabled and on the measures

## Martens

that have been announced but for which no concrete proposals yet exist.

In the Committee on Agriculture I tried to get agreement that the report should cover the concrete proposals and not the promised measures and that these should be discussed as soon as concrete proposals are submitted by the Commission. Mr Houdet has spoken on this point and I shall not therefore go into it.

Now, as regards the causes of the imbalance on the milk market I am forced to conclude that the Commission, in fact, does not look for its causes but merely notes that, in spite of the low incomes of dairy farmers, still too much milk is being produced in the presence of affluent demand inside and outside the Community, and in spite of the fact that so much assistance is given in the marketing of milk.

What are the facts? Between 1970 and 1975, milk production itself went up by only 3 %, but deliveries to dairy-product manufacturers went up by 8 %. Butter sales went down by about 10 %, but sales of non-fat milk powder went down by about 30 to 40 %.

To begin with, I would therefore like to look for the reasons for these developments. My first conclusion is that the situation on the milk market is primarily attributable to the inadequate structure of milk production. In 1975 there were a total of 2 240 000 stock-farmers, the number having gone down by 430 000 since 1970. Out of these 2 240 000, 1 300 000 have less than 10 cows, while 565 000, or 25 % of the total, have from 10 to 19 cows. This means, in fact, that 83 % of stock-farmers run a marginal farm, because we call a farm marginal if, on average, it has less than 20 cows. In addition, 750 000 out of these 2 240 000 stock-farmers are over 65 years of age.

We know that, this year and next year, the Guarantee Section of the EAGGF will have spent about 2 000 million units of account on dairy produce alone and that we are spending, if I am not mistaken, a good 100 million units of account on farm closures. In my view, these facts are not reassuring. In the first place, efforts must be made to get more stock-farmers to leave agriculture. Given the age of many of them and the possibilities of conversion, I regret that the proposals include too few measures designed to encourage a reduction in farming.

We have to realize that, given an average number of cattle per farm, reducing the cattle population by 5 % would mean that about 200 000 people would leave farming. A 10 % reduction would double that figure. The question then arises what can be done with these people. When industrial production is in surplus, unemployment benefits are paid out and a substitute, though admittedly lower, income provided, but in this sector there is, unfortunately, no provision whatsoever for the people who leave it. Neither, as Mr Scott-Hopkins has remarked, have any plans been made for the land that would become available.

A second reason for the imbalance of the market is that since 1973 the ratio between butter fat and the protein or dry-stuff content of milk, which was 48 :52 at the time, has gradually changed round to 52 :48. This was done in order to avoid putting the price of butter up too much and in fact it went up by only 20-25 %. The price of skimmed-milk powder, however, went up by about 90 %. The result was a favourable competitive position as compared with margarine, but as regards the relative situation of vegetable and animal protein we have certainly got into a very difficult situation.

We can see that there is no growth in the use of liquid milk derivatives and milk-based products because it is greatly influenced by the steep increase in prices I have just referred to. Further, as far as animal feedstuffs are concerned (and this is where the majority of the milk ended up), we conclude that farmers must have worked out that it was far cheaper to use vegetable fats instead of skimmed milk. The result was that very little skimmed milk continued to be used on farms.

All this is the result of the change in the percentage ratios I have referred to. This is not a criticism of Mr Lardinois, since I agreed with it at the time, but if it is concluded that farmers are farming badly then we must also come to the conclusion that it would be better to reconsider that decision. I have referred to the steep increase in the price of skimmed-milk powder, which has gone up from 47 units in 1972 to 90 units in 1975-76 and 1976-77. Admittedly, intervention support for stock-farmers has been increased but there is still, at this moment, a discrepancy of 15 units of account per kilogramme. The result is the present milk-powder mountain. There is no getting away from this conclusion.

Let me put things even more clearly. Milk contains one part fat or butter and two parts skimmed-milk powder. Let me compare this with the soya bean, consisting of one part vegetable fat and more than four parts vegetable protein. Through the promotion of the soya bean, prices have meanwhile doubled. The fact is that the oil from the soya bean is more in the nature of a by-product, revenue mainly coming from vegetable protein. Here I am basing myself on figures given to me by Mr Lardinois. At the present time, the income from oil is about 35 % and that from vegetable fats 65 %. This obviously means that margarine is cheap and vegetable proteins dear. The price of milk therefore goes up and the price of margarine goes down.

In this situation we cannot solve the problem. For these reasons I am convinced that the proposal for a levy on margarine and vegetable fats is a very logical way of restoring some measure of equilibrium to the situation. Consumers will have to realize that if production is restricted then this also affects the amount of concentrate that is used.

**Martens**

This also has implications for soya beans. Their price would fall and then, in order to produce the same revenue, the price of the materials used in margarine would increase.

This will get us no further at all. It is my view that margarine has become cheap through the use of vegetable proteins, and large-scale production is responsible for that. I would again refer to the Commission's information suggesting that about one-quarter or one-fifth of milk output is produced with the help of vegetable protein. If this is reduced by half, quite another situation is created but the consequences will not be favourable for margarine. I do not propose to insist on this point, but the reciprocal effect should not be lost from sight. For me this is one more reason in favour of a levy on margarine.

Another reason is that meat prices have become very unattractive since 1973 and this is why no one thinks of switching over from milk to meat production unless they have a very special reason. From the book-keeping figures at my disposal, it is evident that those who have converted have seen their income shrink to one-third of what it was before. On the basis of the Commission's assumptions their income would come down to about one-half of its original level. These changeovers cannot be justified on the grounds of agricultural economics and are not recommended by private or official advisers in Belgium. Farmers are advised not to change over, because it would reduce their income. It is clear that we cannot expect too much from the measures, although framed with the best intentions.

Now, Mr President, I turn to the measures for which no concrete proposals have been tabled. I could mention them individually but I shall confine myself to two main points: the introduction of a levy on producers and the levy on margarine.

Two per cent of the price of milk works out at 20 with the FB7000 loss in income to the producers. Is per cow. For someone with 10 cows, therefore, this centimes in Belgium or 1700 Belgian francs per year of his income. When this is demanded from people who are already in difficulties, Mr Lardinois too will understand that this is very harsh, in view of what they have gone through in the last few years, particularly since the meat market today is still far from encouraging. If the levy were 4 % this would work out at 11 200 Belgian francs, or about 11 % of farmers' incomes. That would not arouse much enthusiasm.

I can assure you, Mr President, that the figures I have are absolutely correct. We have proved that, between 1970 and 1975, the consumption of butter fell by 109 000 tonnes and that of margarine by 49 000 tonnes. I have no figures on the consumption of edible oils, but I will quote some figures on the consumption of butter and margarine in the various Member States to prove that the fuss made about it last month was greatly exaggerated.

The consumption of butter in the Community averages 6.5 kg per head of the population and that of margarine 6 kg. Consumption is highest in Ireland and lowest in countries where most milk is produced — namely, the Netherlands and Denmark.

I shall now speak more particularly about margarine and quote some figures on margarine consumption. Annual consumption per head of the population is 8 kg in Germany, 3 kg in France, 0.7 kg in Italy, 18 kg in the Netherlands, 15 kg in BLEU, 5.6 kg in the United Kingdom, 3.5 kg in Ireland and 17.7 kg in Denmark. If Mr Lardinois' calculations are right, the levy would be about FB1 per kg. All the extra that people would have to pay for margarine — in Germany it would work out at about FB8 and in the United Kingdom about FB5.6 — should be compared works out at Belgian francs 7000 in other words, 7 % it really too much to have to pay FB8 or 10 per head? Even if this amount is doubled it is still a flea-bite. We ought, now and again, to have the courage to face the real figures. I would willingly support the Commissioner for Agriculture in the application of this levy and I still hope that he will win the day.

Mr President, I conclude by informing you that for these reasons my group will be voting in support of Mr De Koning's report. They will not, however, do so with enthusiasm but with some resignation.

*(Applause)*

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

**Mr Kofoed.** — *(DK)* Mr President, previous speakers have already given this report most adequate treatment, and I should like to join in the praise they have offered. It has been interesting and instructive to work on this report and to find out how one may achieve balance on the milk and milk-products market. The task is harder than one would think if one had not taken part in the work in committee.

There are many reasons for the imbalance in the milk-products sector. Previous speakers have summed up these causes very clearly. I, for my part, would refer to what Mr Martens said on the imbalance between vegetable and animal protein: this, I believe, is one of the main factors in bringing about this situation. It is also, I think, a result of the price policy deliberately applied by the Council of Ministers to support animal protein and so, as has already been pointed out, hold down the price of whole milk and butter. The result has been to boost the output of skimmed milk.

Behind this course of action was undoubtedly the fact that at that time the price of vegetable protein was high — in order words, soya cake was dearer when this decision was taken — and it was hoped that a balance would be created between skimmed-milk



## Kofoed

powder and soya beans. Since then the price of soya beans has fallen and that of animal protein has been held artificially at the level fixed by the Council of Ministers. This accelerated the tendency in agriculture to abandon the use of skimmed milk as fodder and replace it with soya beans, which in turn had the result, so rightly brought to our attention by Mr Martens, that the increased price of animal protein allowed the margarine industry to obtain cheaper oil to make margarine with. The trouble which arose then is still with us today.

If we cannot achieve a balance between the two forms of protein, there will be no balance in milk production. It is clear, as Lord Walston pointed out, that if there is a profit in producing milk more milk will be produced. If, on the other hand, the price goes down — that is to say, the price need not go down but if the costs to the farmer increase — compensation becomes necessary for the higher costs of production. How are these farmers going to manage? They are obliged to continue increasing their output. This is also encouraged by various Common Market regulations: we have the modernization directives to make farmers more efficient; we also have support measures to make cows yield more, and when the yield goes up and efficiency increases production increases as well.

One may therefore ask — as has already been done and as I do now on Mr Bourdellès' behalf — who it is who has increased production — the farmer with the large herd or the one with the small herd. Looking at the matter objectively, I think one can say that the farmer with the small herd is not the one responsible for the largest increase in output. It is probably — and I say, probably — the farmer with the efficient and fairly large herd who has increased production the most, because farms with fewer than ten cows have not so far increased their yield as markedly as the large efficient farms.

This brings me to another matter considered in the report on which we have not fully made up our minds, and that is the levy. We agree on the idea that it is necessary to give producers co-responsibility, but I would agree with those speakers who, on account of the drought, are very sceptical about producer co-responsibility and add that it would be very difficult to determine how it should be administered. Is it right to apply it to all farms irrespective of size, or should it be a progressive tax? If it is not the small farmer who has increased production, ought he to be given co-responsibility? After all, he has done nothing wrong.

I think we should be careful — I would like to say this on behalf of the Liberal Group — about introducing the levy: we ought to wait until we can see the effects of the drought and whether there are not other ways of giving the producer co-responsibility. If a levy is introduced to give the producer responsibility, then

I would say, as Mr Martens has said, that it then becomes necessary to apply a levy to vegetable oils in order to avoid creating distortions of competition. The measure of distortion we have today should on no account be aggravated by applying a levy exclusively to animal proteins and fats. A levy should also be applied to vegetable proteins and fats.

Having said this, however, I would finally add that I do not believe that with these measures we shall achieve a balance in milk production: we ought to go further, and — this is not an attack on the Commission, but it is noticeable when one looks at the budget that the same appropriation is always made for structural policy — if this balance is to be achieved stronger measures will be needed in connection with structural policy. If we are to have efficient agriculture and abolish the small farm, we must introduce a system of compensation, and this is really a social problem. One cannot demand that small farmers stop farming when their only alternative is to become unemployed. I therefore think that structural policy is the vital thing and we must tackle it if we are to have any real chance of achieving a balance in the milk-products sector.

Although Mr Bourdellès wishes to move some amendments, I and the rest of the Liberal Group agree with the report as it stands.

*(Applause)*

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

**Mr Liogier.** — *(F)* Mr President, ladies and gentlemen, this debate on the Commission's action programme for the progressive achievement of balance in the milk market is probably one of the most important agricultural debates held by the Parliament for a long time.

We are discussing the situation in a vital sector of the Community's economy namely, the milk sector. This sector absorbs the major part of the resources of the Agricultural Fund and is currently suffering from over-production. In addition it has been badly affected by the drought. At the same time it includes the majority of the Community's farmers, most of whom have small farms and form the backbone of rural society.

When discussing the Commissions' action programme and voting on the motion for a resolution in Mr de Koning's report, we should bear these factors in mind. The future of Community milk production will, for a long time, depend on the decision taken by the Council.

Thus, whilst we must admittedly tackle this problem in a spirit of moderation, we must at the same time be aware of our responsibilities. It is quite clear that the Community is currently producing a surplus of milk and milk products. The mid-September figures

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showed that a stock of 1 372 358 tonnes of milk powder was held at that time in the warehouses of the intervention agencies and that 422 883 tonnes of butter were under intervention or stocked in private warehouses. The predominant reason for this surplus production is of a structural nature. We therefore welcome this first motion for a resolution recommending that premiums be granted for the non-marketing of milk and for the conversion of dairy-cow herds. This structural measure is the right way to tackle a problem which is primarily structural in character. We shall continue, however, to be very vigilant, because whilst the premiums need to be sufficiently attractive in either case to bring about a substantial reduction in the production of surplus milk they should not lead to overproduction of beef and veal or to the disappearance — particularly in the hill-farming areas — of the minimum number of farms necessary for the protection of our natural open spaces and for the presence of human life that is essential to preserve the general environment, e.g., the life of our villages, shops and craft trades, and facilities for holiday-makers.

What we do not accept, however, is the proposal for a co-responsibility levy on milk producers. We object to this measure mainly because it is untimely in the present situation. The Community, and its milk producers in particular, is just emerging from a disastrous period of drought. Although we are glad to see that rain has now fallen in all the areas of the Community we should not forget, for all that, that the effects of the drought will be felt for a long time to come.

Milk producers' incomes have been badly hit. The lack of pasture has reduced milk production and therefore farmers' earnings. The shortage of winter feeding-stuff has forced many farmers to sell their cows at a time when prices were very low and despite the Community's efforts to keep prices up. It has also caused a loss in income. Nor should we forget that these farmers will have to pay out considerable sums of money to build up their herds again next Spring.

At the present time, therefore, there are many farmers fighting to survive. Measures have to be taken to ensure they do. It is regrettable that, in such conditions, the Commission does not envisage other measures than to impose levies on milk producers which will reduce even further their slender incomes.

I therefore think that it would be right for the Commission to withdraw its proposal to impose a levy on milk producers which, I understand would average about 2.5 %.

Instead, it ought to propose a method for bringing production under control, for instance by freezing 1977 milk prices at a reasonable level. Controlling milk production by price policy in this way presents a

number of advantages. It would not be an incentive to increase milk production and it would not, in itself, have the effect of increasing consumer prices — which would allow consumption to increase. It would not involve any additional administrative cost and the money this would save, by withdrawing market support, could go to promoting the sale of milk and milk products.

I know full well that this suggestion is not a panacea. Perhaps some other solution could be found. But I still think it is better than co-responsibility.

If a levy is imposed, not only will the producers suffer a loss of income but consumers will have to pay more for milk and milk products since, objectively, the price of milk must, in the normal run, increase. The fact is that the cost of collecting and managing the levy is very likely to absorb a large proportion of the levy yield.

For these reasons we think that instituting a levy could and should be avoided. If it can be avoided, then the imposition of a levy on vegetable oils and fats can also be avoided. Conversely, if a levy is imposed on milk producers, then one will also have to be imposed on imported vegetable oils and fats, for the Community has a duty to protect its own products and producers. We could not allow our own milk producers to meet the whole bill for the proposed measure, leaving importers of foreign products to reap the benefit of the rotten trick played on our Community producers, since over 50 % of the milk yield goes into butter manufacture.

Need I remind you that vegetable and fish oils and fats come into the Community in large quantities, often at dumping prices, and practically without any obstacle at our frontiers — no customs duties, no levies. We are often talking, in this House, about the protection of consumers and primarily of their health, and I would like to believe — although we hear very little said on the subject — that careful checks are made in order to guarantee the freshness of imported products when they arrive and that those people who claim this is not so are, all things considered, only mischief-makers.

The fact remains that, in 1974, the nine countries of the EEC imported 5 307 000 tonnes of raw oil, mainly from industrialized countries, either directly or in the form of oil-seeds, whilst Community butter production over the same period was only 1 390 000 tonnes — and the gap is becoming increasingly deep and wide.

Incidentally, the Commission is well aware of this because, to counterbalance the co-responsibility levy it wants to introduce, it proposes to put a tax on vegetable and fish oils and fats. In his report, Mr De Koning echoes the Commission's view when he

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deplores, in paragraph 6, that one reason for stagnating demand 'is the increasing use of vegetable fats and proteins instead of milk products'.

No doubt he thinks, like we do, that any acceleration in this process, aided by greater distortion in competition, would deal the death-blow to butter consumption. And he goes on to express, once again, the scruples which do him honour in paragraph 23 of his motion for a resolution in the following words :

'feels that a general policy is required for the milk market which takes account of the inter-relationship between the vegetable oil and fat and animal fat sectors on the one hand and the vegetable and animal protein sectors on the other ; considers that this policy must take account of producer and consumer interests in the Community, as also the need to promote the balanced development of trade with third countries.'

Yes, but — as we sometimes say in my country — this was to reckon without Lord Walston, who, in his amendment that is the complete opposite to paragraphs 6 and 23 of Mr De Koning's text, proposed a paragraph 21 as follows :

'rejects wholeheartedly the proposal [of the Commission] for a levy on vegetable oils and fats' and banged shut the door half-opened by our rapporteur.

If it were not for the respect that I have for Lord Walston, I would tell him that his amendment, approved — incidentally — by a chance majority in the Committee on Agriculture, produced an effect on several members — and me first of all — similar to that of a bull in a china shop.

Perhaps Mr De Koning would have been well advised to let it be known that so brutal an amendment, completely destroying the balance and sound logic of his text, would force him to abandon his report : the effect would probably have been a return to more realistic attitudes.

However this may be, you can understand, ladies and gentlemen, that our group, in view of its own position, cannot support a motion for a resolution thus thrown completely out of balance. We shall vote against it without hesitation unless, here in this plenary Assembly, this paragraph 21 is cast into exterior darkness, the response to which on our side, though not total and enthusiastic approval, would be abstention without ill-feeling.

The truth is that we must be fair in our response to Mr De Koning's many efforts to harmonize initially highly divergent viewpoints and to win support from a very large majority in our Committee on Agriculture for an agreed report. We appreciated his efforts throughout our many and long discussions with particular regard to the following questions : the exception made for less-favoured and hill-farming areas, the provisional or temporary nature of the levy if it had to

be accepted, and the fact that it should go to promote milk products ; the right of co-management to be given to producers for the amounts collected ; the reservations as regards the date of entry into force and the amount of the levy ; the maintenance of national and Community aids for projects which help to improve working conditions in family farms or better the economic viability of the milk industry without, at the same time, encouraging an increase in production ; the wish to see the Commission work out its proposals on guide and intervention prices in accordance with trends in production costs and non-agricultural income ; the promotion of exports to third countries by means of an active policy to promote the conclusion of long-term contracts ; and the enlargement of markets in the Community by stimulating consumption.

It is not impossible, moreover, that several amendments rejected by a narrow margin in the Committee on Agriculture may meet a better fate in this House — for example, those concerning a 30 000-litre threshold per farm for exemption from the levy or the modification of this figure in relation to the scale of quantities supplied.

As to the Commission's proposal to suspend aid to the milk sector, we consider that this should be greatly qualified, because some projects increase efficiency and reduce conversion or distribution costs and these advantages could well be passed on to both producers and consumers.

In conclusion, Mr President, the Group of European Progressive Democrats considers that the present milk crisis could very well be overcome by a combination of coherent measures and that the measures taken or decided so far could, moreover, be supplemented by others. In particular, has any consideration been given to the possibility of requiring calves to be raised purely on their mother's milk, as used to be done, without the addition of any meal (sometimes fish-based giving the meat a slightly suspect taste ? All consumers agree that they used to eat good meat in days gone by and that things are not the same nowadays.

Secondly, is the inclusion of milk powder, or milk products in any other form, in animal feedstuffs to be abandoned, the slight increase in cost being possibly amply compensated in other ways ? This method has already enabled part of the surplus to be disposed of. Would not a reasonable equilibrium subsidy suffice ?

However this may be, and to bring my remarks to a close, our group will not take up a definite position until the discussion of the amendments has taken place, on the understanding, however, that a retention of paragraph 21 as proposed by Lord Walston would mean that we would vote against.

*(Applause)*

### 10. *Change in the agenda*

**President.** — We have 20 amendments to Mr De Koning's report and 8 more speakers. As each speaker has 10 minutes available to him, that means a maximum of 80 minutes. I hope, of course, that some speakers will take a little less than 10 minutes. We also have to deal with 20 amendments. After that, Commissioner Lardinois in his usual way will doubtless sum up the debate and answer the questions put to him. That also will take a little time.

I put to the House that it would be wrong not to tell our colleagues who are concerned with reports and oral questions for debate at a later stage what is the House's intention. I suggest that we shall be on Mr De Koning's report until 8.30 p.m. at the earliest. As was foreseen in the original Order of the Day, it might be wise to put off until tomorrow morning the remaining reports, including those of Mr Schwabe, Mr Premoli, Mr Dykes and Mr Artzinger, and the various oral questions. Is that the wish of the House?

It is so decided.

I call Mr Spicer on a point of order.

**Mr Spicer.** — I wholeheartedly agree with the proposals you have made, Mr President. In view of the long agenda we shall have to complete tomorrow morning, may I suggest that we consider commencing at 9 o'clock instead of 9.30?

**President.** — The proposal from Mr Spicer is that we should meet at 9 o'clock in the morning. Does anyone wish to speak against that proposal?

I call Lady Fisher of Rednal.

**Lady Fisher of Rednal.** — When a similar proposition was put before Parliament yesterday, the Chair said that it would be difficult for Members who were not in the Chamber to know that the sitting was to start half-an-hour earlier. I do not know whether you have the same feeling.

**President.** — I have the same feeling, Lady Fisher. The only difference is that it is Friday tomorrow and we are to meet only half-an-hour earlier. As far as I am aware, not many group meetings are taking place tomorrow. It was because of the group meetings this morning that the Chair found difficulty in accepting a similar proposal yesterday.

I put to the vote the proposal that we should meet at 9 o'clock.

That is agreed.

### 11. *Action programme for the achievement of balance on the milk market (resumption)*

**President.** — I have pleasure in calling Lord Gordon Walker. I hope that this will not be his last intervention, as I fear it may be.

**Lord Gordon Walker.** — My brief speech will be my swan-song, because this, regrettably, is my last

Parliament. I should like to say how greatly I have enjoyed and benefited from my brief time in the House, and how much I shall miss all the many friends I have made in the various parties.

Now to the business in hand. I wish only to make a few comments. Most of the speeches we heard and all the documents before us refer to the over-production of milk. It is not recognized that over-production is the obverse of under-consumption. Those are two ways of saying the same thing. At least part of the problem is that the price of dairy products puts them out of the reach of a large number of people in the Community, particularly those who probably need them most. The Commission is to be commended on having recognized that to a considerable extent.

The Commission's proposal for a co-responsibility levy is a system for, in effect, lowering the price of milk. I wish the Commission would find terms which are simpler and easier to understand. I defy any ordinary man in the Community to have the faintest notion what is meant by a co-responsibility levy. I congratulate Mr De Koning on saying more brutally and accurately that it is a tax on milk. I do not expect Commissioner Lardinois to call it that, but it might be called something simpler. One of the odd characteristics of the Community is that it invents unintelligible terms which no one understands, such as 'snake in the tunnel'.

I also support the excellent idea that the proceeds of the levy should, at any rate to a considerable extent, be devoted to the methods for increasing the consumption of milk. In Britain the Milk Marketing Board, whatever honourable Members here may think of it — no doubt it has many faults — has shown at least that good salesmanship and the maintenance of quality greatly increase the consumption of milk. That is one of the things we are out to do.

Lastly, many different and strongly opposed views have been expressed on the Commission's proposal to impose a tax on vegetable oils and fats. I am very glad that Mr De Koning in his motion for a resolution comes down so wholeheartedly and clearly against this proposal. However, an amendment has been proposed, and from the last speech there is no doubt that an attempt has been made to restore this tax into Mr De Koning's report. I hope that this will be strongly resisted and defeated.

It is wrong in principle to help dairy products by taxing something that is nothing to do with dairy products. It is absolutely distinct from them. All sorts of things may compete with dairy products. Wine may compete with dairy products. That would not be an argument for putting an extra tax on wine. It is wrong in principle to tax something quite disconnected with the industry that it is sought to help. Also, it will raise the cost of living much more widely than has been generally thought or expressed in speeches.

The effect will be, of course, to increase the price of margarine, and it will increase the price of all goods

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into which margarine enters. I need mention only fish-and-chips, paint and soaps. The price of those products will increase as a result of the tax and in proportion to the amount of the tax.

I do not know if Mr Lardinois and the Commission realize how widespread the effect of their proposal would be in many fields other than margarine.

I hope that the report will be accepted. It is an excellent one. I hope that Amendment No 11, which seeks to put back the margarine tax, will be defeated. Even if this amendment is not carried, we have still got the desire of Mr Lardinois, apparently, to have this tax imposed upon us. I hope that after listening to the debate and to what we have said he will realize that this is a monstrous tax and that it would be a very fine act of his if he could help to sink it without trace.

*(Applause)*

**President.** — Thank you, Lord Gordon Walker. I am sure that the House would wish me to wish you, on behalf of all your colleagues, good fortune in your retirement and to say that the House will be that much the poorer for your absence.

*(Applause)*

**Mr Früh.** — *(D)* Mr President, ladies and gentlemen. I shall respect your concern, Mr President, about the length of the debate by being very brief, particularly since there have already been some very outstanding contributions to the discussion. In particular I would like to thank the previous speaker who, in my view, has put the point in excellent fashion that surplus may also be connected with underconsumption.

A few hours ago I had occasion to talk to a journalist who is convinced — and this is important to you, Mr Lardinois, too; it was news to me — that there are more varieties of milk as far as taste is concerned than there are of beer. This suggests to me that there are immense opportunities for promoting milk consumption by improving its quality and presentation. Next, it is clear — and I believe that reference has already been made to this point — that we obviously have to find mechanisms, when it comes to support for food-stuffs, that are solidly based and not just sporadic, but institutionally secured. In this way I think we should come a little closer to the solution of many a problem.

Now you all know that we have been grappling with the milk problem for years and that a faint ray of hope came with the drought, even though it hit the farmers hard. But — and that we know too — it was a vain hope. We waited and waited for milk output to fall, but it hardly fell at all and it is now climbing again. Hence the urgency of tackling this problem really seriously. It seems to us that you, Mr Lardinois, in spite of the possibly short period of office left to you — which I would greatly regret — also want to solve this problem. I feel, however, that we should guard against thinking that it can be done in one fell stroke.

We now have a great opportunity to differentiate and at the same time to improve the structure and above all to put milk where, for social reasons and quality reasons and particularly with regard to the environment and the support of disadvantaged regions, it belongs. This should play a special part in all our discussions.

In this connection I have a few very concrete questions to put to you, Mr Lardinois. Here I would refer to paragraphs 11 and 12 of our motion for a resolution, for I believe them to be decisive. In them, the committee states, among other things, that it would consider it wrong if we did not, at least for pasture areas and other areas in which there was no alternative to dairy farming — this includes hill-farming and less-favoured areas — give the aids that contribute to improved working conditions on family farms. My question to you is this: is it your intention to give no further aid in these cases as well?

The second point — I think this was also brought out clearly in committee — is that we could not agree to the abolition of milk-processing aids relating to investments for rationalizing the dairy industry and the marketing and distribution of products, particularly in the case of firms processing milk from the less-favoured areas. There is at present great uncertainty in agriculture and also in the dairy industry, and I would like to ask you, with a request for a clear-cut answer, whether it is the intention to maintain the aids to family farms in hill-farming and less-favoured areas for improving working conditions, not for expanding production.

The third question — which is, in my view, just as pressing because the answer to it could remove much uncertainty — is this. When will there be a definite decision for dairy farms which up to now have been counting on Community support, having already — in some cases — planned investment projects and, indeeds notified them to Brussels over a year ago, bearing in mind those cases where the projects of the enterprises concerned are designed to improve consumption and not to expand production and where the enterprises process milk from hill-farming and less-favoured areas?

I ask you earnestly for an answer to these questions. I feel that if you could give a concrete decision in your answer to them you would be doing a great service to the milk industry.

**President.** — I call Miss Boothroyd.

**Miss Boothroyd.** — I wish to try to express what I think might be the consumer's attitude to these proposals. I take heart from the comments of the Chairman of the Committee on Agriculture because, while many of us bewail the development of mountains, lakes and obscene surpluses, few of us — and I admit to being one of them — are able to come up with a solution to

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produce what I call an insurance policy, a balanced alternative of manageable surpluses.

Let us be honest and recognize that we all prefer to live in an area of high yield. Most of us prefer to be able to buy quality. We want to have a degree of choice, and we want the best of all worlds. To provide that, we have to plan for it. To my mind this means that agricultural policy must be linked with regional and social policy. More important still, it must be linked with consumer policy. If we mean what we say about a European consumer policy, that policy must aim to provide three things. It must aim to provide more choice and not less, better information on which to base that choice, and lower cost for the product that is chosen.

In drawing up this package of proposals, these objectives seem not to have been kept in mind. There are three or four reasons why I feel this to be so.

First, the Commission has not defined what it means by a 'surplus'. To speak of a structural surplus obscures the fact that a surplus is production which, after allowing for formal stocks, cannot be consumed at the given price-level. The use of the word 'surplus' totally obscures this important fact.

The milk problem in the Community is not just the result of producers' being encouraged to produce by over-generous price-levels. It is also a result of consumers' not being willing to absorb that production at prices determined by Community policies. Thus, to deal with surpluses and to obtain a balance in the milk market is not just a matter of affecting the relative profitability of milk production; it must also, surely, be a matter of lowering prices for consumers.

That leads me to my second point, because this lack of definition has led to an inevitable failure in exercising political will. Because we are not able to exercise political will, we are therefore asked to resort to what is called the co-responsibility levy. I have no doubt that the overall effect of the proposed package of measures is to reduce the attractiveness of milk production to milk producers. But, instead of proposing a cut in the milk price, which would have been economically the most efficient method of helping to reduce surplus milk production, the Commission has suggested a disguised price cut for producers in the form of the co-responsibility levy. I doubt that it will help producers. I find it difficult even to share the gentle accolade which the report gives to it in this respect. What I do not doubt is that the levy will neither stimulate demand nor bring any benefit to consumers.

Mr De Koning's report makes the welcome point that there has been regular consultation with producer organizations about the levy and that producers will be consulted on the manner in which proceeds from the levy are to be used. That is fine. Perhaps the Commissioner, when replying, will tell us what consultations were held with consumer organizations and what their attitude was toward these proposals. Of

course, there are dangers in the levy, as has been expressed by many Members. The levy may not have the required effect. Farmers may simply increase their herds and therefore increase milk production in order to compensate for the lower price they will receive. Lord Walston made the point — and he expressed it far better than I can — that the Commission should assist and organize a standard policy to which intervention applies because of the dangers inherent in this type of levy. All Members who have spoken have expressed the desire that we proceed with caution in implementing this.

Sad though it is — and I have a good deal of sympathy for the Commission — it seems obvious that it has been forced to propose this levy because of the basic political inability to get the Council of Ministers to accept milk price cuts. I say this because of a comment made in the Commission's report:

'Given that the possibility of acting directly through the prices policy is limited, the Commission has sought other means of taking comprehensive action to influence both the supply and demand for milk products'.

A levy is not as practical in application as it sounds, and I believe that the price to the consumer must be reduced. To go round the back door because of the attitude of some countries — and I admit that it is only some — is a grave disservice to both producer and consumer. Moreover, the Commission has not produced any evidence to show what effect this roundabout measure will have.

If the co-responsibility levy is roundabout, the next proposal of the Commission is brutally direct. Here I support the De Koning report. My third point concerns the tax on vegetable and other oils. This proposal seems to be based on the peculiar economic logic that, because the Community's dairy régime forces up the price of butter, the price of margarine ingredients must also be forced up in order that butter should remain competitive. If the concern is that Community butter consumption is declining, as it is, the appropriate policy response, surely, should be to attempt to extend the market, but primarily the policy response should be to cut the price of butter to make it more competitive with margarine.

The proposed tax is contrary to the interests of producers. It is contrary to the interests of food manufacturers, whose prices over a wide range of products which Lord Gordon-Walker listed earlier will be increased. It is indefensible that the consumer will have to pay more for this wide range of products, especially at a time when all our governments are attempting to tackle the crippling problem of inflation.

I wish to say a word about the developing world, because we must not forget it in this context. A particularly vicious side-effect of this proposal is that developing countries shall have their oils and fats exports to the Community taxed. The Commission then proposes that the proceeds of this tax should be put

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towards increased aid to developing countries. That is fine; but this is not entirely what these countries either want or need. Much as they want aid, they want more trade. To limit their trading possibilities in this way is not in the spirit of the Community's policies towards the third world.

Finally, the report from the European Parliament's Committee on Agriculture, after a visit that the delegation made to the Milk Marketing Board in April this year, said that

*the Milk Marketing Board performs a number of tasks worth closer examination, in particular the promotion of the consumption of milk and milk products.*

It also commented:

*Particularly valuable is the demonstration that a highly-developed publicity and promotional campaign can do a great deal.*

I ask the Commissioner to tell us what steps have been taken by the Commission to encourage Member States in sales promotion through the type of boards that operate in the United Kingdom.

The problem of the CAP, and of milk production in particular, is not just a simple one of too many cows and too much milk; it is a problem of too many farmers. The standard of living for farmers can be improved — which is what the CAP sets out to do — but only by higher prices, which is bad for the consumer, or by producing more — and in this sector there is already too much — or by having fewer producers, so that each gets a larger share of the total. It is also a social problem.

Therefore, the Commission's policy must be directed towards providing alternative activities and retraining generally for different kinds of life. Such changes are always hard on those involved, but we have to cushion those concerned to make those changes as painless as possible. This is where social policies have to be coordinated. The proposals make no provision for encouraging change. In this respect they are particularly disappointing.

*(Applause)*

**President.** — I call Mr Yeats.

**Mr Yeats.** — The situation in the milk market has given rise to concern in the Community for the past year or longer. The background recently has been quite dramatic. Last spring we were expecting massive over-production of dairy produce, but then the disastrous effect of the drought brought a sudden turnabout, and it is now being forecast that deliveries of milk will be 1% down for the 1976-77 milk year and the production of milk powder and butter by 2% or 3%.

In effect, this situation means that dairy farmers will be subjected to a severe loss of income. Many of their stock have had to be slaughtered because of the lack of fodder, which further means that they may well

need several years to build up their dairy herds to pre-drought levels. Despite this, the Commission has introduced its action programme for the milk sector, which contains some very undesirable elements. The proposal to subject dairy farmers to what is described as a co-responsibility levy is totally unacceptable.

Last week the Commission announced further details of this co-responsibility levy, which will apparently be at a rate of 2½% from April next. This will have the effect of reducing farmers' incomes by 1p per gallon in my country, and this is something that simply cannot be justified, allowing for the prevailing rates of income in the dairy sector. If the Commission chooses to pursue this levy, one wonders how it can reasonably expect any support from farmers in terms of the restraints on price increases for the 1977-78 prices year. If the Commission forces this levy through, farmers will surely have to demand full compensation for any increases in costs, in accordance with the objective method. On the other hand, if the Commission drops this proposal for a levy I am sure that it will be possible to create much greater sympathy amongst farmers for accepting restraints when agricultural prices are agreed next year.

I also want to refer to what seems to be a very unfair aspect of the Commission's proposal to impose a levy on milk products. It is proposed that dairy farmers in disadvantaged areas, which are classified according to altitude and the slope of the ground, will not be subject to levy, but other dairy farmers in disadvantaged areas — so classified because of dwindling population, low soil fertility and low income levels — will be subject to the levy. This is surely an unfair discrimination, which deserves a clear justification from the Commission, otherwise a great many farmers in disadvantaged areas in several Member States who clearly cannot afford to pay the levy will suffer an unjustifiable reduction in their already meagre incomes. In my country, no areas were classified as disadvantaged on the basis of altitude or slope, although many would have qualified under such criteria. Obviously this was done for convenience, but it now has the effect that farmers in such disadvantaged areas will be subject to the levy if it is imposed. Such a situation is surely both unfair and discriminatory. I sincerely hope that the Commission will rectify its proposals.

There are other aspects of the Commission's action programme which need to be rectified. I refer to the almost blanket ban upon the milk processing and milk marketing sector. It seems totally illogical that those whose aim is to modernize plant or rationalize the industry without encouraging greater milk production should be deprived of aid. Such projects lead to greater efficiency and a reduction in costs — benefits which can be passed on to the consumer in the form of lower prices. I hope that the Commission will reconsider its decision on this issue and that deserving projects will continue to receive aid.

## Yeats

Finally, there is the proposal to put a tax on vegetable oils and fats. Mr Lardinois may be pleased to find one person who is prepared to speak in favour of this desirable proposal. There is general agreement that nobody likes to have a tax levied on these products, but we must look at this proposal in perspective. We have a Community, and a common agricultural policy which is based on the principle of Community preference. This means that products produced within the Community must be given priority over other products. In this case it seems obvious that margarine manufactured from vegetable oils and fats is seriously affecting the sales of butter in the Community. In this instance I urge Mr Lardinois to persevere with his proposal to levy a tax on vegetable oils and fats, particularly in the context of the corresponding proposal for a levy on dairy farmers. What is sauce for the goose should be sauce for the gander.

(Applause)

**President.** — I call Mrs Dunwoody.

**Mrs Dunwoody.** — I occasionally get the idea that someone in the Commission must be a great admirer of fairy stories, because the agricultural policies that it puts forward seem to be based on a very exhaustive reading of children's stories, such as Jack and the Beanstalk. It seems that the whole of Europe must be made up of poor old widow women, each with one cow, who can be encouraged to exchange them for a handful of beans. That seems to be the height and the depth of the Commission's thinking about the problem of milk surpluses. After all, we are told that it is the milk problem that gives us the greatest difficulty. It is the cornerstone of the CAP. It is a policy that is so efficient that today we went through the farce of suggesting that the fishing industry should be operated in exactly the same way as the CAP. I can only say 'amen' to that.

The De Koning report makes it clear how absurd many of these proposals are. The Commission does not deliberately invent difficult words which no one can pronounce or understand. It is cleverer than that. It produces a particularly obtuse policy and calls it by a particularly obtuse name. This so confuses the people that they do not realize the full implications of the policy.

We have got ourselves into the classic vicious circle. The price of milk and milk products is now placed so high — the Commissioner was right when he said that Parliament went along with that; Parliament did and had no business to do so — that there is an increase in production and because the price at the selling end is still too high we find ourselves with increasing surpluses.

In a recent OECD survey it was suggested that milk production in the EEC will probably increase on average by  $\frac{3}{4}$  % to  $1\frac{1}{4}$  % per year. Although all long-

term forecasts must be open to question, that is a thought that we should take home with us. These *ad hoc* policies will not begin to deal with the main structural problem. That is one of my basic objections.

If a man already intends to leave dairy farming, the premium system may encourage him to leave a little earlier. But he is being asked to give a guarantee that whoever takes over his farm will not continue in dairy farming. How is that system to be applied? The Commission does not differentiate between the levies and the taxes that it is suggesting for liquid milk and milk products. If we want to get rid of the surplus we must encourage greater sales of liquid milk, not the other way round.

My country has one of the few efficient units. Any attempt through the European Court of Justice or Parliament to get rid of our highly efficient Milk Marketing Board will not solve the problem but just ensure that there are decreased sales of liquid milk and milk products in my country. Why do so many Britons have a high consumption *per capita* of milk in its various forms? It is because milk is efficiently produced, it is clean, the conditions under which it is produced are carefully examined to see that they comply with the health regulations, it is delivered, and it has been marketed at a price which the people can afford to pay.

The Commission talks about co-responsibility and says that it is seeking a  $2\frac{1}{2}$  % cut in farmers' incomes. But we have to think not just of that end but of what will happen in the shops. Taking into account the price increases which will arise from our accession to the EEC, if the Commission insists on these measures the consumption of liquid milk in Britain will go down with a bump. People will stop buying a product which becomes increasingly expensive, and the same goes for butter and milk products.

It does not help to say that the Commission has a right to insist on these changes and a right to insist that the British consumer pays the correct price even if the British consumer cannot afford to pay it. There will be a buyers' strike.

When United Kingdom housewives go to the cold cabinet in the shop they see milk from Germany, Holland and other EEC countries. They see vast amounts of Danish bacon. Because of the problems we discussed yesterday, many bacon workers in the United Kingdom are to be out of jobs. The people will get to the point where they will refuse to buy butter or milk products. That will be their answer.

Two-thirds of our deficit with the EEC countries is in respect of the importation of food. If the United Kingdom were to expand production, it could be totally self-sufficient in the dairy sector. While we are seeking ways to get rid of surplus milk products we are actually suggesting a means of cutting down the



**Dunwoody**

sales of the very products which are in surplus. That is madness; there is not other word for it.

Lord Gordon Walker mentioned only some effects of the tax on vegetable oil. We calculate that approximately 5 000 jobs in Britain would be put at risk and a minimum of £ 7.5 million worth of export orders. If these measures were enforced the price would rise sharply. In 1975, the total consumption of vegetable and marine oils from home production and imports to Britain was 854 000 tons, of which only one-quarter was used in margarine.

We shall be contributing right across the board to yet another enormous increase in prices. We have no indication that the product of the levies will be used constructively. If there were some indication of a reorganization of the distribution market and a promise to encourage further sales of milk, many people would be prepared to look seriously at the proposals. Unless we are to have a marvellously sexy picture in full colour of the Commissioner bathing in milk, I do not know what the has in mind.

We should make it clear today that any suggestion that we go ahead with this absurd tax on vegetable oils should be utterly rejected by Parliament. I am deeply distressed to see that some Members are prepared to consider it seriously. I do not believe that they can have either the best interests of the consumer or indeed those of the sellers of milk products in mind.

I should like to see the whole question of the milk market tackled in a totally different way. If the Commission wants some practical suggestion, because I am basically an exceedingly practical woman I should like to help it. Perhaps it would like to exempt the sales of fresh milk and of other fresh-milk products. Perhaps, finally, if it really is that worried, it would like to replace the proposed tax on oil and margarine by a tax on concentrated feeding-stuffs for dairying. That would move people back into the grasslands rather rapidly. Although it would be difficult to administer, it would be a constructive suggestion rather than some of the idiotic ones we have had presented through the Commissions's own plans at present.

Finally, if there are to be structural alterations inside the dairy industry, they will not come from the piecemeal suggestions. It will be discovered that it will not only be the consumer who objects to this lack of thought, this lack of planning, this totally irresponsible attitude towards a change which is absolutely fundamental to the well-being of the CAP.

My country has very considerable problems, not just in the economic field, but also because of the amount that it imports from other Common Market countries, products which in many cases it produces very efficiently itself. Some of us are getting increasingly tired of being told that we must support changes — in

some instances, according to the Commissioner yesterday, up to the rate of 25 % — because we are on the receiving end, without anyone ever doing the sum that says that the reason we have many problems is that, as a well-organized market, many other nations can unload their products on to us easily and efficiently and they can reach a great many consumers and it is their fault.

If we are not going forward towards a scheme of import deposits and if we are not to get a revulsion — I use the word deliberately — from the consumer against the sort of policy the Commissioner suggests, we shall require a very different attitude. We shall require a complete understanding of the fact that the dairy industry, if it is to be the cornerstone, must be given assistance to modernize. People must be encouraged to leave the farms in an ordered way, and investment that goes in for modernization is the one area which should not in any circumstances be cut down. If I were in The Commission I should object to Mr De Koning drawing up the report, because his very concise, precise and obvious mind makes it clear how inadequate these proposals are. Why does not the Commissioner do himself, and us, a favour and throw the whole lot into the dustbin?

**President.** — I call Mr Howell.

**Mr Howell.** — I have little enthusiasm for these proposals. We know that we have been dealing with this problem for many years and that there is nothing very original in these proposals. I recognize that Mr De Koning has done an excellent job in trying to improve them. I particularly support the action of the Committee on Agriculture in throwing out the idea of taxing vegetable oil. I hope that that position will be maintained.

I am not satisfied that this will solve the problem or that this is the right way to go about it. I underline, first, the point which you, Mr President, made in your original speech supporting the non-marketing premium but being doubtful about the conversion premium lest it should cause trouble for beef and meat markets generally. I think that we should emphasize the importance of trying to produce a switch from dairying to cereal production, as this is the most obvious way of solving the problem.

I am opposed to the levy because it is wrapping up a price-cut. Why not call it a price-cut? Obviously, the price must be cut in those countries which are producing for intervention. I am particularly opposed to this levy as regards the United Kingdom so long as we do not have a proper alignment of the green pound. While we are in our present position, it is completely wrong to impose a levy and it will be very damaging in the United Kingdom, especially for those who have suffered particularly badly from the drought.

**Howell**

My main criticism is that our way of handling this problem is far too blunt. Having established that the levy is nothing more than a price-cut, that there is very little else except the conversion premiums and the non-marketing premium, both of these things, if they are effective, will be somewhat uncontrollable. The way we are dealing with our milk problem is unsatisfactory inasmuch as we have not got a proper body to organize the European dairy herd and the European milk industry.

Early in the spring the Agricultural Committee visited the Milk Marketing Board, and I believe the report, which has been mentioned today, to be important. I believe that the Commission should take note of it. We in Britain had chaos in our dairy industry in the 1930's. Out of that chaos and because of that chaos we created the Milk Marketing Board. The board has been in existence for 43 years. It has not only served producers extraordinarily well; it has also served consumers very well indeed.

I wish to draw attention to the price-levels. Admittedly, these are for January of this year. In January of this year a pint of milk cost 11.1 pence in Germany, 10.5 pence in Denmark, 10 pence in France and 8.5 pence in Britain. This is after 43 years of the Milk Marketing Board's work. I will accept that there are different problems as regards Europe as a whole from those existing in Britain. We in Britain cannot fully supply our milk market: we are net importers of dairy products, and it makes the problem somewhat less difficult.

We must have a better authority outside the Commission composed of people who know all about production and the milk market. Our board consists mainly of producers, but it also has consumer representatives on it, and it has been successful. I believe that the way in which we manage our affairs here in the Commission, with the Milk Management Committee consisting entirely of civil servants from the various countries, is not satisfactory. I urge the Commission not to have a blind spot on this suggestion. I call for an urgent study to be made with a view to creating a more flexible and independent milk marketing authority for Europe in general and seeing whether this might not help to solve our problem. If we rely entirely on the price mechanism we may get into great difficulties.

I have been a producer of milk for about 28 years. I know what my reactions would be. I would try to keep my income at its original level. Therefore, initially the reaction to a price-cut is to expand the herd. This will happen.

Then, we do not know the effect of these conversion and non-marketing premiums. If they were sufficiently effective, they might be good. There are many people who are not too keen on milking cows twice a day 365 days a year. There is a natural tendency to get

out. If we are not careful we may find ourselves curing this milk surplus but having a very serious milk shortage in a few years' time.

The way in which the Commission operates at present is not sufficiently effective or sufficiently quick. It does not analyse well enough what is happening in the milk market all the time. This should be the work of a separate body. These proposals have been supported by many of my colleagues in the House. The Commissioner should look seriously at the results of the British Milk Marketing Board and see what could be learned from it and how we could benefit from such an organization for Europe generally.

*(Applause)*

**President.** — I call Lord Bruce.

**Lord Bruce of Donington.** — Mr President, I observed that during the concluding stages of the speech of Mr Howell you were looking anxiously at your clock despite the fact that he was nowhere near exceeding his time. I therefore inform you that I hope to keep within my time-limit of ten minutes, but I hope that, until that time has elapsed, you will not feel it necessary to appear anxious.

I am under no illusion, nor is any of my colleagues, that anything we say here today or anything that has already been said will make the slightest difference to what Mr Lardinois already thinks. He will not pay the slightest attention to anything that is said here. He will undoubtedly make — and he is a very courteous man — complimentary remarks about the various speeches that are made, and he certainly will not reply to any points that he finds it inconvenient to answer. We know Mr Lardinois very well on this.

Mr Lardinois is faced with the deadly and relentless logic of his own policy. It has never even occurred to Mr Lardinois so far, and will not occur to him tonight, that it is conceivably possible that this whole policy might be wrong. This is something that has never occurred to him. It has never occurred to him that there is a deadly logic in that, if one pays too high an intervention price for any form of agricultural produce, sooner or later it will inevitably be followed by one's having to pay people not to produce. To pay people not to produce in a world where there is widespread starvation is a political obscenity of which even Mr Lardinois should be aware. This, indeed, is what has happened.

I do not blame Mr Lardinois entirely. I also blame Parliament. Parliament has become so mesmerized by his logic, so bemused by the figures — not always accurate, but Parliament is still bemused by his figures — that it seems to think that the divine right of wisdom in the agricultural sphere is wholly his own. He has good reason to feel pleased. He is the farmers' darling of Europe. He is the one who has given the

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farmers everything they want. They adore him. Even within Directorate-General VI he maintains a permanent staff to be in perpetual contact with Sir Henry Plumb's organization, COPA. He is the producer's man. The consumer does not even occur to him.

Now let us examine the proposals that Mr Lardinois has made. Too high an intervention price has been paid. This is now common ground throughout every group in the Community. I have in front of me a report by the Committee on Agriculture which says that by and large the failure of the agricultural policy is the result of too high an intervention price and too little attention to the structural policy of agriculture. This is common ground. Mind you, the committee seem so mesmerized by Mr Lardinois that they do not dare to say it to him directly. The first time he opens his mouth and emits any decibels, everybody backs down and says, 'Of course, what a very good man he is'. They dare not question the consequences of their own logic.

So now what do we have? After having paid a grossly excessive intervention price which has produced riches for the largest and most efficient agriculturists in Europe and maintained, I would agree, the less efficient ones at subsistence level he now finds a glut, and the mountain is of long standing. We need not talk about it any more. Everybody is sick of his mountain. I suspect that he is getting sick of it himself. So what do we have? We now have a premium not to produce milk. This should be the ultimate intellectual ignominy for Mr Lardinois if he cared to contemplate it coolly without being so convinced of his own correctness.

The other matter is the so-called co-responsibility levy. Mr Lardinois, nobody is the slightest bit deceived by this. The co-responsibility levy looks very good. But everybody knows — and Sir Henry Plumb knows too — that, when the next price-round comes in two or three months' time, the farmers will be compensated again in their price-levels for the co-responsibility levy which is proposed here. It is not worth the paper that is written on, because we know that when the price-review comes along the same old dismal policy is carried on all over again, the stick and the carrot: the carrot, the juicy one, the premium for not producing; the stick, the co-responsibility levy. But Mr Lardinois has no confidence in those proposals either. Therefore, what he wants to do is to devote certain proceeds to help in the marketing of milk, to make milk more palatable to the ordinary citizen, to induce the ordinary citizen to buy more, to improve marketing methods and to improve publicity. Of course, it would never occur to him, in the frame of mind in which he is and in which he has always been, that there is one remedy and that is to cut the price. Oh, no, that would offend Sir Henry Plumb: that would affect COPA: that would alienate the farmers:

he could not possibly do that. Besides, it would indicate a consideration for the consumer for which he is not intellectually equipped and for which he has no particular passion.

But even he has no confidence in this. What does he do now? He says to us, 'We must have a co-responsibility levy. I am trying to improve publicity and to make production more efficient'. He has no confidence in this. He says, 'What is my principal competitor? My principal competitor is margarine. My principal competitor is vegetable oil.' He goes on to say, 'We cannot have unfair competition with dairy products. We must therefore tax vegetable oil.'

Yesterday I listened to Mr Lardinois on the subject of monetary compensation amounts, upon which he waxed very eloquent in his triumphant peroration. What was his reason for denouncing them? He said that they struck vitally at the whole rule of the Community and that they prevented fair competition. Competition was the basis of his philosophy yesterday. Now, because vegetable oil probably competes with his precious product, he wants to remove competition.

So much for his regard for competition. The fact is that he believes in competition within an organized market. It is his own precious baby. This proposal is being carried out for its effect on agricultural producers in Europe. It is being carried out without regard for the welfare of the Community or the consumer. Mr Lardinois' argument about competition is one of the most hollow intellectual arguments ever inflicted upon this Parliament. After seeking to impose a tax on vegetable oil, never let him talk again about the principle of competition, because if he does he will be laughed into the ignominy into which this policy will take him.

I conclude by paying a tribute to Mr De Koning, not only for his stand on vegetable oil but for his moderation. His report bears all the stamp of a thorough study of the problems of the farming community. I commend him on his moderation. I do not know how he managed to produce such a moderate and temperate report, but I am sure that if its contents were known by the public at large in Europe they would consign this diet dictator of Europe to the oblivion that he deserves.

**President.** — I call Mr Bersani.

**Mr Bersani.** — (I) Mr President, ladies and gentlemen, the intensity and range of this discussion are certainly justified by the considerable importance of the dairy sector in the overall picture and in the structure of the Common Agricultural Policy and also by the significance that policy, whatever is said about it, in the process of consolidating and integrating the European Economic Community.

**Bersani**

We have said on many occasions that the agricultural policy is, at the moment, the only sector in which integration has made any progress. All this has a significance going far beyond the immediate economic and technical aspects and bringing in values of a policy nature. Whilst, therefore, I may be critical in my remarks about specific aspects of the Commission's proposals, I wanted to restate my profound conviction.

I too thank Mr De Koning. Once again, with wisdom and up-to-date knowledge of his subject, he has given Parliament a balanced picture of the various aspects of the complex dairy sector question. The first point — and it is a first negative point — is that we are presented with incomplete proposals. The 1974 memorandum, Mr Lardinois, had a far more organic and acceptable framework (with regard, for example, to certain co-responsibility measures). Instead, though it is not your fault, we have only a pruned-down version of those measures. They were, I repeat, better structured and, in various ways, more objective.

However this may be, the situation we are again faced with is, and will continue to be, critical. The dairy sector, with its structural surpluses that recur worsen almost continually year after year in spite of all the efforts made so far (it is a saga that has already lasted many years), will absorb in 1976 about 50 % of the financial resources of the EAGGF, Guarantee Section in other words, 2 250 million u.a. (2 000 million under Chapter 62 and 250 million under Chapter 100). We are therefore right to be concerned. With figures like these, there is a real risk of spoiling the most significant prospects of development, modernization and equilibrium between supply and demand, the foundation-stones of a modern conception of the Common Agricultural Policy.

The two main measures are, in themselves, acceptable in principle. The balanced non-marketing and conversion premiums have their own intrinsic logic. The problems arise once we begin to analyse particular details and aspects. Although it is true that the measures concerned are submitted for our consideration in the wake of a drought that has hit the northern regions of Europe, including Northern Italy, so badly — here we agree with Mr De Koning that the timing of their application should be considered with very great attention, as Mr Scott-Hopkins has suggested — I do not see why this should be used as a pretext to shelve everything indefinitely in view of the mounting urgency of the problems implicit in this situation.

As regards the instruments themselves, I too — like Mr Yeats — am very much in favour of the tax on margarine and vegetable oils.

Supporting the rapporteur, Lord Bruce has argued, perhaps too strongly, in favour of a fundamentally different position. In my view, it is not so much a

problem of competition, as he has maintained, but one of a fair balance between the various Community policies.

The production costs that make up the price paid for vegetable oils on the European market are also due to the tropical countries' labour costs and social charges which are distinctly lower than ours. If we want to maintain a reasonable standard of living for the 9½ million European citizens still working in the vital agricultural sector, ensuring that our Community and consumers in Europe have adequate supplies and the relative price stability which our populations have recently had occasion to appreciate, we have to find a different equilibrium between the prices of vegetable oils and the price of butter.

Basic costs and social charges can be compared objectively. This calls for an overall and balanced view, which — among other things — would not leave a few multinationals all the scope that they have been able to enjoy up to now.

Our choice in this difficult subject cannot be rigid and drastic, because we need to keep the European market reasonably and firmly open to the countries of the third world, as we have recalled only today in the discussion on generalized tariff preferences; but we cannot, I repeat, disregard the circumstances governing, as they do in this case, the standard of living of European agricultural workers.

With regard to the problem of suspending structural aids for three years, I agree in substance with the measures contained in the Commission's proposals and the exceptions accompanying them, particularly for hill-farming and less-favoured areas.

Structural modernization projects in this sector, ladies and gentlemen, have cost over 1 000 million u.a. in recent years, and this is a sector that has been the source of disastrous structural surpluses for many years. There is a blatant lack of proportion between the declarations that have been made so many times and the measures actually adopted. How can we fail to compare the total of this expenditure with the investment in other sectors featuring grave situations of weakness or out-dated structures? The exception foreseen for hill-farming and less-favoured areas should, one way or another, be implemented in conditions suiting, in many different ways, the true structural aspects of the situations that exist.

The third question I would like to discuss in the short time allowed to me — and I am rapidly nearing the end of my remarks — is the co-responsibility levy. Quoting from Mr De Koning's report itself, where he refers to the need to safeguard, at all costs, the fundamental relationship that should exist between an increase in production and the costs that stem from it, I have many objections to raise with regard to the wording in the motion for a resolution.

**Bersani**

The principle of financial co-responsibility, as such, at European level I support. As Lord Walston has also pointed out, it cannot be applied indiscriminately. Here I have in mind the specific situation of my country. Through — I admit — the misguided application of compensatory measures, especially in 1973 and 1974, Italy, already seriously in deficit as regards beef and veal, suffered a steep decline in her animal stock and a grave general deterioration in her situation in this sector. At the same time, other agricultural regions in Europe took liberal advantage of the situation. In the last 7 years, Italy's deficit in foreign trade with the other Member States of the Community has doubled and the food deficit will be approaching 3 000 000 000 000 lire by the end of the year. This is mainly due to the meat sector and, to repeat myself, other agricultural regions and countries in the Community have derived and are still deriving considerable advantages from it.

It is, in any case, a situation that you are well aware of, Mr Lardinois. I particularly wish to acknowledge and to thank you for the measures adopted at this time, meeting specific requests from the government of my country whose purpose is to obtain shares of the Community's meat and butter stocks. This is a contribution to the direct efforts to keep down the prices of basic food products in my country. But — if you will allow me to say so — we cannot limit ourselves to the level of such action precisely when we are talking about upstream measures. Particularly in the structural terms in which your general proposal is to be interpreted, I feel we should consider any 'linear' application of such measures with apprehension. I would not like any misunderstandings to arise in this respect: I am personally against any possible return to 'national' measures; I feel that the spirit of Community fellowship and co-responsibility should always be present and alive in our minds. However, the situation today is such that, if suitable measures are not applied, we shall run the risk of penalizing — and aggravating its difficulties unbearably — precisely that country of all countries that bears no responsibility for what has happened and whose equilibrium we are today endeavouring to restore.

Mr President, ladies and gentlemen, I shall conclude my brief statement by signifying my agreement with the other measures and reasserting — though with the important reservations I have made and contained, incidentally, in the amendments of Mr Ligios and Mr Pisoni, which, in their absence, I will take on my own shoulders — my belief in the essential rôle of a rebalanced and reformed Common Agricultural Policy beginning with the basic and — alas — so heavily-burdened dairy sector.

*(Applause)*

**President.** — I call Mr Jakobsen.

**Mr Jakobsen.** — *(DK)* Mr President, it is often said that this House is very fond of talking. Today I feel

the greatest disinclination to talk, not only because I am now defying my doctor's advice to rest for a while, but also because I am reluctant to say what I think I am obliged to say now. I do not need to say anything about the matter itself. The group in which I find myself has always shown great understanding for Danish as well as British interests, and what my group's spokesman has said is in complete conformity with my views on margarine levies, etc.

However, I am, as Lord Bruce said, sick of hearing about mountains. The mountains themselves do not make me sick. I am quite content to live in a world where we have too much of almost everything when I compare it with other social systems where they have too little of everything despite tremendous efforts. I shall name only one example. In the 1870's, Russia gave Danish agriculture a knock-out blow because she could export grain to the whole world. Today, Russia draws up enormous five-year plans and buys grain from the United States. The Soviet Union would have been glad of a couple of grain mountains. Last year, we had a shortage of potatoes and we should have been glad of some potato mountains. Personally, I know that many of us would appreciate some wine mountains. I am sick of hearing people say they deplore the fact that we have too much. Just imagine if we were producing too little of something or other: what proof this would be that our whole economic system had failed!

It wasn't really this that prompted me to speak.

I remember with great pleasure the day my British colleagues and myself entered this Parliament for the first time. I welcomed with great enthusiasm Mr Kirk's speech in which he said hopefully: 'We have much to bring with us from the British Parliament. We hope you will make use of it.' I was in complete agreement with him. I was proud to see representatives here from the British Parliament.

This still holds good. But I must say that today there are a couple of flies in the ointment. And I must add that a couple of speakers here just now have diminished my pleasure quite considerably. I hope that in future we shall not acquire the tone of the British Parliament, which is marked by far too many personal attacks of the kind that has occurred quite gratuitously in the course of the last few minutes. I regret this profoundly. I can subscribe to Lord Bruce's praise of Mr De Koning. Lord Bruce acknowledged in particular the tone in which the whole of Mr De Koning's introduction was presented. I am pleased about this, and I hope that a new Member of this Parliament will learn from an old Member, Mr De Koning, that this is the tone which wins respect — not abuse and personal attacks coupled with assertions with no evidence to back them up.

May I, as one who has been in this Parliament for a shorter time, say that I have the greatest respect for Mr Lardinois. In situations where this Parliament has

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behaved itself like a kindergarten, I have seen Mr Lardinois adhere steadfastly to standpoints which have not been popular and which neither farmers nor consumers have applauded. For a couple of speakers — they haven't been Members for very long and they're not particularly knowledgeable (if they were, Mr Lardinois must have taken it very hard) — have said things which belittled Mr Lardinois' intelligence, character and so on. I wish to protest as strongly as possible against these attacks. In the first place, it is not this Parliament's duty to appraise Commissioners' personal qualities, and furthermore it contradicts all my experience in this Parliament and in committee.

I have the greatest respect for the work Mr Lardinois has performed here. I shall mention only one situation, where I received one of the greatest shocks I have ever had in this Parliament. We were sitting here one night between 3 and 4 o'clock. The chamber was almost empty, because a large number of parliamentarians from a large number of countries were afraid of supporting a position in this chamber as objectively they should have done because at home in their own countries they did not dare to reveal how they would have voted. They therefore stayed away, we sat in a group at the back of the chamber and it was Mr Lardinois who had to take care of the matter and save the day. This is why I compliment Mr Lardinois.

I regret that I do not have a louder voice ; otherwise, I would have said this even more forcefully.

*(Applause from the centre and the right)*

**President.** — I remind the House that we are debating Mr De Koning's report.

I call Mrs Kellett-Bowman.

**Mrs Kellett-Bowman.** — I shall not detain the House. I wish merely to protest at the strong personal attack made by Lord Bruce on Sir Henry Plumb, who is unable to reply. Sir Henry Plumb has done a difficult job in seeing that the housewife has a steady supply of home-grown food for her table and that the United Kingdom balance of payments has been saved from an even more intolerable burden than it already carries.

*(Applause from the right)*

**President.**— I call Mr Lardinois.

*(Applause)*

**Mr Lardinois, member of the Commission.** — *(NL)* Mr President, I shall begin by thanking the rapporteur, on behalf of the Commission, for the work that he has performed in the name of the Committee on Agriculture. I would also like to compliment him, as Lord Bruce has done, on the dedication and moderation with which he has treated the whole problem. I did hope that a measure of that moderation would have carried over into Lord Bruce's remarks. That has clearly not happened and I shall come back to this point later.

In its motion for a resolution, the Committee on Agriculture recommends Parliament to give a positive answer, with reservations in some cases, with regard to most points in the proposal. I am particularly pleased that this has been found possible in spite of the fact that we are dealing with a number of matters that are anything but easy to swallow, whether it be for producers, consumers or national governments. The rapporteur began by referring to the fact that we are dealing with this matter at the present time in spite of the drought and in spite of the measures we have taken in connection with the drought. In the fact, these proposals were drawn up in what I would call a more normal situation. The period of drought intervened, however, with the result that we had first to concern ourselves with that problem and that the climate became far from propitious for talking about additional levies. Reference has also been made to this in the various statements.

However this may be, I am pleased that, both in the agricultural organizations and in this Parliament, there is a readiness to take the long-term view of things. The fact is that at this moment the short-term difficulties stemming from the drought are still not over. Many stock-farmers will have to pay a big bill next winter as well because of it. But in our view it is our task to see what we can do about the structural surpluses in the dairy sector and that is a long-term problem. I am also very gratified that this has been brought out strongly in most of the speeches.

Mr De Koning also dealt with a number of specific points in his presentation. With regard to aid policy, he said that he agreed with the Commission's argument that it is no good trying to 'mop up the wet with the tap running.' In the present context, this Dutch expression means that if production is to be reduced then subsidies and premiums that help to expand production how to stop. Mr De Koning added that it should be borne in mind that modernization must not be held back. In this connection I would comment that modernization in dairy farming is not brought about primarily by the Member States or by the Community, but by the farmers themselves. If, in fact, the price of milk is so attractive, as has been maintained by various speakers, then modernization can go ahead, in my view, without further support having to come from the Member States or the Community. In other words, in my view, modernization policy in dairy-farming is primarily a matter for the farmers themselves. Those that operate most efficiently will, in general, have the biggest scope to improve and modernize their farms.

There is another problem on this point. It would be best to give support only for modernization, if farmers want to modernize, and not for expanding capacity. In practice, however, it is in most cases exceptionally difficult to keep the two separate. Suppose a farmer wants to have a new cow-house with a milk-tank and

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so on — there can be very few farmers who would do so without increasing their production capacity. Obviously, by increasing his capacity a farmer can more quickly recover his own investment in the cow-house or the milk-tank. So if we give aid for modernization we automatically, in practically every case, also give aid for expansion. However, we could best do without any expansion in production in the next few years — on the contrary. Otherwise, we shall never be able to solve this dreadful milk problem in the Community.

On the other hand, there are certain areas that we would like to continue to help, in spite of the surplus problem. These are areas where farmers are living in very difficult circumstances. I say this particularly for the benefit of Mr Früh, who put a question on this point. The Commission takes the view that, as regards modernization policy and the granting of aid no changes should be made to the policy in relation to farmers in the hill-farming areas or the so-called problem areas. For one thing very little milk is produced in these areas, and on top of that we simply cannot change our policy for such areas if we still want farmers to stay there for the next 10 or 20 years. The same applies to the processing of milk in the dairy-produce industry. For such activities in the problem areas or hill-farming areas we do not intend to discontinue the aid that has so far been given. In other areas, on the other hand, we cannot 'mop up the wet with the tap running.' In fact, we must proceed with the greatest strictness. On the other hand, in the case of a project involving no risk of expanding production — now or in the future — then we can take a fresh look at the question, as I have already indicated to the Committee on Social and Economic Affairs. We have also made an exception for extensive farming. This is often determined by the climate. In South Germany, near the Alps, it is impossible to keep one-and-a-half cows per hectare: the season is far shorter and the rainfall makes it impossible to operate the same intensive farming methods found in Benelux and in Great Britain.

I agree with the rapporteur that we should expand food aid. In this connexion, we should not accept what has been decided by the Council of Ministers. This has happened for the fourth consecutive year. With regard to the long-term contracts with third countries, too, the Commission holds the view that in spite of the Council's negative or hesitating attitude his policy has to be got off the ground. We hope it will be possible to produce proposals for this not too far hence;

The rapporteur has also urged that there should be no levy on vegetable fats but that the Commission should keep a careful watch on this question. In his remarks he referred to the ratio between vegetable and milk fats. I can assure the rapporteur, Mr President, that the Commission is following this question closely. The Council of Ministers has already decided twice — in 1963 and in 1968 — to impose a levy on vegetable oils. Nothing ever came of this in the Community

and, hearing today's discussion and reading the rapporteur's proposals, I think that the chances, once more, are not rosy. In general, I must say that I understand the arguments against. I myself have opposed it in the past — four years as member of this Parliament and six years as a member of the Council. I am perhaps myself one of those who saw to it that this proposal did not get off the ground in the Community of the Six. Others have now picked up the message. I can only say that now, after this long time, I personally have come to the conclusion that a levy on vegetable oils and fats for the Community as a whole — and this is something quite different from having it apply solely in the North — will be inevitable in the future. Whether it is introduced this year or in several years' time there is, in the long run, no way round it.

I would also like to tell the rapporteur that it is Parliament's perfect right to throw this proposal out but that this will sound less convincing if no alternative whatsoever is proposed.

I had hoped that the Committee on Agriculture would be able to put forward an alternative. Alternatives are certainly possible. If you do not want to worsen the competitive position of butter in relation to margarine by imposing an extra burden on butter production, then you have to look elsewhere. One of the alternatives, for example, might be to do what is being done at the moment in Great Britain, where butter is being given a state subsidy. If this Parliament thinks that such a subsidy should be given for butter, to which the Member States and not just the Community would have to contribute, then this, at all events, would be an alternative. I am sorry that this suggestion did not come from the Committee on Agriculture.

As chairman of this committee, Mr Houdet has commented that the additional, detailed proposal regarding a number of points have not been spelled out. I, too, feel that this is a pity and I hope, at all events, that it will be possible to deal with these proposals at the next part-session.

Lord Walston wants an automatic correlation between surplus and levy and, for a long time, I too thought that this was perhaps a good idea. In a certain sense, however, I shall be guarding my successor if only because we know from experience that the responsibility for mounting surpluses is usually laid at the door of the Commission in Brussels. In one way this is right, of course, because if there are surpluses that means that the Commission, at surpluses to stand, instead of paying out more money and thus working off the surpluses at any price. It is not just a matter of the physical presence of stocks, the question is what limits we are to draw when assessing what can still be sold and what cannot. So if we talk purely about the physical presence of surpluses, then it must be remembered that, before butter can be used in Russia, surpluses have to be paid for; afterwards they do not because they no longer exist.

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Mr Scott-Hopkins has asked me for some further information. As a result of the drought, production has fallen by about 1 %. This is one of the main reasons why we expect that the surplus will, by the end of the winter, be about as great as it was in 1974 and in 1975 — not greater still. So it cannot just be qualified as working stock.

The milk-powder surplus will be large. In mid-September we still had a stock of 1.4 million tonnes of skimmed-milk powder. Since then the surplus has fallen by 100 000 tonnes owing to the fact that, with the beginning of the winter period, somewhat less has been produced. Moreover, as you know, the incorporation compulsory addition scheme has been going on. Under this scheme we have so far bought in about 300 000 tonnes out of the 400 000 covered by the programme. You know that this is also a form of co-responsibility. Still, this is not the moment to go back over this matter: we discussed it fully when dealing with the so-called motion of censure before the recess.

We certainly have to keep a close eye on the beef market. The production of beef is expected to fall in 1977 and 1978 — throughout the world. If we also have a non-marketing premium on our milk, this looks very promising for our expectations, in conjunction with meat production, for the next two years.

I am glad that Mr Scott-Hopkins has said that no support should be given to expand production. As I have already said, this is precisely the intention of the Commission. For investment projects which do not constitute any direct or indirect encouragement to the expansion of production we can perhaps be less strict.

I would like to thank Mr Bangemann for his contribution on behalf of the Committee on Budgets. We know the Committee on Budgets' preference for a structural policy rather than a guarantee policy, and personally I am in agreement. However, it is in my experience extraordinarily difficult — and this I would like to make clear once again to the Committee on Budgets — to remove certain existing guarantees. The applies not only to agriculture but also to the whole of our social legislation. The most difficult thing of all, in our social legislation as well, is partly to withdraw certain rights that have been given in the past at a moment when costs are in fact becoming too great. In my view, this is one of the crises that our democracy is currently going through. It is therefore a factor affecting not only agriculture but almost every other aspect.

I have, I hope, already given sufficient proof that I am an advocate of adjusting guarantees and also reducing them as necessary.

Miss Boothroyd spoke about the relationship between agricultural policy and consumer policy. I agree with her. I would add that it is not just a question of more choice, as she said, but also of better information and

lower costs and that a central feature of European agricultural policy should also be the assurance we should be able to offer to consumers with regard to the availability of supplies. Normally this assurance should, in our Western world, be taken for granted, but probably we shall not be able to rely on it invariably in the future.

She also made the point that the levy on milk will not benefit consumers. That I must dispute. One of the proposals that we shall be discussing next time is to finance school-milk programmes for the whole of the Community from Community funds, the money coming from the milk levy. If we can launch a school-milk programme from Sicily to Scotland with a large subsidy from the Community and a somewhat smaller one from the national Member States, then that, in my view, will be exceptionally helpful for consumers, and precisely for those groups of consumers who probably derive most benefit from consuming milk products, particularly milk itself.

The consumer organizations are represented in discussions in the Committee on Social and Economic Affairs. Last week I told the committee that I was of the opinion that the influence of consumer organizations at European level was not yet comparable with that of producer organizations. I also said in committee that it was in the interest of producer organizations as well to have far more direct contact and to develop co-operation with the consumer organizations. One of the reasons why the consumer organizations at European level carry, in fact, too little weight in the milk question is, in my view, that few Member States have really efficient consumer organizations. There is a lot more to be done in this respect in Western Europe, and it is certainly not my view that this would be to the detriment of agricultural policy in the long term. On the contrary, it is my opinion that European agricultural policy could only stand to gain.

The good work done by the British Milk Marketing Board has also been mentioned. I too have never denied that the Board is doing good work; on the contrary, I have always maintained that it is doing excellent work, including the advertising campaigns which have increased milk consumption considerably in Great Britain. But this cannot be directly compared with the situation in other Member States. What, in fact, was the situation in Great Britain? Based on the price of milk, the price that farmers obtained for drinking milk was about twice what they received for butter, cheese and skimmed-milk powder. In other words, every gallon that could be sold in the drinking-milk market instead of that for butter or other industrial products brought practically double the income to the Milk Marketing Board. A big advertising budget would therefore invariably be justified in such circumstances. The situation, therefore, was very different



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from what we have in most other Member States, where it makes no difference to the farmer or the dairy-produce industry if the milk is used for drinking milk or for other dairy products.

In European milk policy this did not matter and it still does not matter. It is also the reason why advertising budgets on drinking-milk are much smaller. A bigger budget would have to be paid by the government or by the Community, and we do not believe that we can throw large sums of government money around for this purpose. On the other hand, we ought to be able to share something for promoting milk consumption in certain sectors — schoolchildren, for example.

Mr Kofoed has put in a plea for vegetable oils and fats. He also said that structural adjustments would, in the long run, help us out of trouble. I agree with him, Mr President, but we cannot regard this as too simple a question. In fact, big structural adjustments have already been made in European agriculture. The number of farms with dairy cattle was reduced by almost half between 1968 and 1975 — in other words, from 3.6 to 2 million. That happened in a period of less than 8 years. That it is a very big structural adjustment. But it did not reduce the amount of milk. At the end of it there was even 5% more milk. The total increase in milk output at this stage of development is, in my view, not primarily a matter of the number of farmers with dairy cows. It is first and foremost a question of aggregate production resources. With less labour the same production resources can yield a bigger output with the help of modernization. It is clear that a close watch has to be kept on all factors.

In this connection, I would like to say to Mr Martens that linking the premium for non-marketing with the existing structural provisions will, in my view, induce more people to leave stock-farming than he apparently supposes. He is naturally right when he says that if a farmer with a relative small farm switches from milk to meat production, the economic result is unfavourable from the return on labour viewpoint. Mr President, we do not want to turn all stock-farmers away from milk production, but for very many of them there are excellent reasons why they would want to leave dairy-farming provided some help were given. Here I am referring to the older farmers, farmers who have other jobs and farmers who would prefer to do something under the heading of tourism. They can make a little on the side only during a specific period of the year, but in combination with the support measures to be taken they could probably make ends meet. Then there are farmers who have to carry on with their farms although they are dilapidated — because national measures are inadequate. With some social aid and the possibilities we are now discussing, they should be able to give us their farms. I am convinced that this programme will have far more effect than the programmes proposed in the past, which have certainly not disappointed us either. I

think this would help many over their hesitation and thus produce good results.

Mr Liogier said that the price of milk ought to be frozen next year and that this measure could take the place of the proposed programme. I am not sure whether I understood him properly, but it seems to me to be a proposal worth considering. I have certainly considered it and if this is the view of this Parliament I have nothing to say against it. I have no objection to substituting this for the levy on milk.

I particularly appreciated Lord Gordon Walker's statement. I fully accept his comment that we are frequently using new terms and new phrases in the Brussels bureaucracy. I would, however, add that new terms sometimes do not exist in one language and are often borrowed from the language of other Member States. Many members will no doubt remember that three years ago we proposed a levy on milk as an imposition or a 'tax'. One of the reasons why this Parliament, the Council and also the agricultural organizations were opposed to it was that it was called a 'tax'. A lot, therefore, depends on the word that is used. Perhaps, in our proposal on margarine we ought to have referred to the 'co-responsibility' of the margarine manufacturers and, who knows, Parliament might then have received the proposal more favourably. This, therefore, is one of the reasons why a different term is used from that coming immediately to mind.

Talking about oils and fats, Lord Gordon Walker said something about 'wrong in principle'. About a month ago I said that we were not the inventors of linking one levy to another. In most Member States, at least in the North of Europe, there is a link between the level of the levy and tax on beer and that of the levy and tax of wine. What is more, this is the reason the Member States give for their high taxation on wine whenever we ask them for an explanation. With all due respect to Lord Gordon Walker, I would therefore say that linking one levy to another is not a Community innovation.

I would like to tell Mr Martens that I find it difficult to believe that FB 7 000 is 7% of the income of a stockfarmer. This might perhaps be possible if only the income from milk were taken into account, but there are, of course, other sources of income. If Mr Martens is, however, right, then Belgian stockfarming is indeed in a sadder way than we thought.

In her usual way, Mrs Dunwoody spoke with great directness; she used the word 'madness' at least five times and I shall therefore not repeat it again. I would just say that many views on a Community agricultural policy naturally need to be seen in a broader context than happens in most cases, certainly by the new Member States, who are too inclined to regard what they have long been used to as superior. I do not say that it is never superior, but I deny that this is invariably the case. This seems to me too conservative an approach.

**Lardinois**

Mr President, I am glad that Mr Yeats, as an English-speaker, had something different to say about the levy than most of the other English-speakers. By and large, agriculture no longer rejects the levies as such. After rejecting them for three years, the sector is gradually coming to the realization that its own contribution in dealing with surpluses can also be a substantial contribution towards helping the whole institution of Community agriculture properly onto its feet.

I agree with Lord Bruce that agriculture does not attach sufficient value to the maintenance of the Community agricultural policy as an objective that is in their own interests, and yet this is really the case — and the Common Agricultural Policy, on top of that, is also in the interests of European consumers. It is not in the interests of European consumers to deliver them into the hands of North American producers more than they already are. We have seen the results of this kind of dependence in relation to our energy supplies at the time of the oil-crisis. I hope that Europe will never be the victim of that kind of black-mail in food.

I therefore feel that here I have more than solely agricultural interests at heart — as, incidentally, do my colleagues on the European Commission. All the proposals that I table here have been prepared on behalf of the European Commission as a whole. We are jointly responsible for them. Or do you think that the European Commission, with its 12 members, usually decides what I think fit to propose? Also I have the excellent help provided by our staff. Lord Bruce has attacked the Directorate for Agriculture, and this I cannot accept. If he makes an unjustified attack on me, then it is up to me to defend myself and that I shall do if I think it is worth the trouble: I do not, however, think it is worth bothering to defend myself against a fit of ill-temper. But as far as our staff is concerned, I would say that they are some of the very best officials that we have in the whole of the Brussels organization and that very hard work is done in these services by an international team of which I am proud. I hope too that, if my successor will be working with the same staff, that he will stand in the breach to the same extent as I have always done.

*(Applause)*

Another thing that should be said about our staff is that they often have to do their work in very difficult circumstances. Belgians and Italians, Britons and Dutchmen, Danes, Irishmen, Germans and Frenchmen — if you can weld all these nationalities into a unit, then you are really working for Europe. I hope we do not forget this.

*(Applause)*

**President.** — I call Mr De Koning.

**Mr De Koning, rapporteur.** — *(NL)* Mr President, I will limit myself to expressing my thanks for the words of appreciation from Mr Lardinois and my colleagues in this Parliament. I am very grateful for this recognition, but I readily share it with the secretariat of the Committee on Agriculture.

**President.** — The general debate is closed.

Before considering the motion for a resolution, we must vote on the amendments tabled to the proposal for a regulation.

On Article 9, I have Amendment No 4, tabled by Mr Durand on behalf of the Committee on Budgets. Does a member of the Committee on Budgets wish to move this amendment?

**Mr Shaw.** — I must protest. I am sorry that Mr Durand is not here. I have not been briefed on this matter. I therefore regret that I am not prepared to move the amendment.

**President.** — Since there is no one present to move Amendment No 4, that amendment therefore falls.

On Article 10, I have Amendment No 12, tabled by Mr Ligios and Mr Pisoni:

This Article to be modified as follows:

1. Unchanged.
2. The Guidance Section of the EAGGF shall refund to the Member States 40 % of the eligible expenditure.
3. Unchanged.

I call Mr Bersani to move the amendment.

**Mr Bersani.** — *(I)* As I have done in the course of my speech I feel I should stress, once again, that the measure in question — which is, incidentally, very much more than the usual 25 % — is already at a high level. We therefore urge that the proposed amendment be adopted.

**President.** — What is Mr De Koning's position?

**Mr De Koning, rapporteur.** — *(NL)* I feel we should be very clear about the fact that here, under the heading of measures financed from the Guidance Section, measures are taken that are especially intended to reduce the expenditure from the Guarantee Section. Now, for the Guidance Section the Community contribution is 25 %, and for the Guarantee Section 100 % of the cost if financed by the Community. The Commission proposes 50 %, and I think that is a reasonable compromise. I therefore advise Parliament not to adopt this amendment.

**President.** — I put Amendment No 12 to the vote. The amendment is rejected.

We shall now consider the motion for a resolution.

I put the preamble to the vote.

**President**

The preamble is adopted.

On paragraphs 1 to 4, I have two amendments :

— Amendment No 1, tabled by Lord Walston on behalf of the Socialist Group :

Replace these paragraphs by the following single paragraph :

'1. Realizing the very adverse effects that the drought has had on the incomes of dairy farmers in many parts of the Community, nevertheless accepts that the Commission's proposals are of a long-term nature, and emphasizes that the need to reduce the total amount of milk produced in the Community is still as urgent as it was when these proposals were first put forward ;'

— Amendment No 8, tabled by Mr Ligios and Mr Pisoni :

Replace paragraphs 1 to 4 with the following :

'1. Believes that the drought, which this year has affected several regions in Europe, should not be used as a pretext for the postponement of the measures absolutely necessary for the reduction of the costly and ever-increasing surpluses ; points out that in the period from 1968 to 1975 the Community had to sell 10 % of its butter production in powder or liquid form at reduced prices on the world market, which involved the EAGGF, Guidance Section, in expenditure on the milk and milk products sector which increased from 600 m u.a. in 1968-69 (Community of the Six) to 1521m u.a. in 1973 (Community of the Nine) and to 1900m u.a. in 1976, and which is expected to increase to 2250m u.a. in 1977 if no measures are taken ;'

These amendments can be considered jointly.

I call Lord Walston to move Amendment No 1.

**Lord Walston.** — Amendment No 1 does not seek to alter the meaning of the report. It seeks to make it abundantly clear, as it is important that it should be clear, that, regardless of the damage that has been done by the drought in certain areas — damage which is being very quickly repaired in some areas because of the weather we have been having recently and the very mild and open autumn — these proposals must be regarded as long-term proposals and we must not in any way be deflected from those long-term objectives because of the drought. This amendment would make it more clear. This is the way in which the report is at present drafted, so I hope that my colleagues will agree to the amendment.

**President.** — I call Mr Bersani to move Amendment No 8.

**Mr Bersani.** — (I) For the same reasons as those just given by Lord Walston and in view of the fact that the wording he has proposed seems to me more suitable, I

withdraw the amendment tabled by Mr Ligios and Mr Pisoni and I support the amendment proposed by Lord Walston.

**President.** — Amendment No 8 is accordingly withdrawn.

What is Mr De Koning's position ?

**Mr De Koning, rapporteur.** — (NL) Mr President, I agree with Lord Walston that his amendment does not alter the meaning of the resolution, but nevertheless I feel that it pays too little regard to the situation following the period of drought in which these — in many respects painful — measures have to be introduced. I believe that this Parliament would enhance its credibility if it made it very plain that it is conversant with the situation on the land in large areas of Europe. I would prefer to maintain the first four paragraphs of the resolution and therefore recommend that Lord Walston's amendment be rejected.

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

The amendment is rejected.

I put paragraphs 1 to 4 to the vote.

Paragraphs 1 to 4 are adopted.

On paragraphs 5, I have two amendments :

— Amendment No 2, tabled by Mr Laban on behalf of the Socialist Group :

This paragraph to read as follows :

'5. Points out that despite the measures taken in the past, imbalance persists on the milk market and that this is due to the lack of a genuine structural rationalization policy since for too long efforts have been made to maintain income levels simply by means of excessively high prices ;'

— Amendment No 19, tabled by Mr Gibbons and Mr Liogier on behalf of the Group of European Progressive Democrats :

Paragraph 5(a)

At the end of this sub-paragraph, add the following :

'... structural nature and aggravated by imports from third countries ;'

These amendments can be considered jointly.

I call Lord Walston to move Amendment No 2.

**Lord Walston.** — There is not an enormously significant difference between Amendment No 2 and the paragraph as drafted, but it underlines the point that in certain instances prices have been too high and have encouraged too much milk production. Although it may be an unpopular thing to say, it is worth saying in this case. I think that the amendment is an improvement on the present drafting.

**President.** — I call Mr Yeats to move Amendment No 19.

**Mr Yeats.** — We want to insert a reference to imports from third countries because it seems to us that at a time when intervention milk-powder stocks on 16 September last were 1.3 million tonnes — almost 1.4 million tonnes — and butter stocks were over 400 000 tonnes, it is ridiculous to allow in large-scale imports of dairy produce from abroad — particularly from New Zealand, with 45 000 tonnes in this year, and another 30 000 tonnes of cheese. In those circumstances we are merely adding to the existing surpluses. We feel that there should be a reference to third countries, as proposed by the amendment.

**President.** — What is Mr De Koning's position?

**Mr De Koning, rapporteur.** — (NL) Regarding Amendment No 2, tabled by Mr Laban, it is my view that this is biased to say the least. It is naturally quite wrong to say that structural harmonization has failed to come about purely because a policy of high prices is followed. I am not going to argue about whether prices were too high or too low, but what I will say is that completely different causes led to the present surpluses. I am thinking, for example, of technological innovation, which has led to considerable intensification in stockfarming. I would therefore recommend Parliament to reject Amendment No 2.

With regard to Amendment No 19, Mr Yeats himself said that this mainly concerned imports from New Zealand. My opinion is that certain agreements were reached with regards to imports from New Zealand when the Treaties of Accession were signed and that we have to abide by them. This amendment is tabled purely as a statement, but from the policy viewpoint its significance is naturally far greater. For these reasons I recommend Parliament to reject this amendment too.

**President.** — I put Amendment No 2 to the vote.

Amendment No 2 is rejected.

I put Amendment No 19 to the vote.

Amendment No 19 is rejected.

I put paragraphs 5 and 6 to the vote.

Paragraphs 5 and 6 are adopted.

On paragraph 7, I have Amendment No 18, tabled by Mr Gibbons and Mr Liogier on behalf of the Group of European Progressive Democrats:

This paragraph to read as follows:

- '7. Therefore shares the Commission's view that rationalization measures aimed at reducing structural surpluses by limiting production and increasing sales are unavoidable, but also considers that imports from third countries should be reconsidered;'

I call Mr Yeats to move Amendment No 18.

**Mr Yeats.** — Amendment No 18 is essentially identical to the amendment we have just considered. There seems to be no point in putting it to the vote again.

I therefore withdraw the amendment, although it is still a good one.

(Applause)

**President.** — Amendment No 18 is accordingly withdrawn.

I put paragraphs 7 to 10 to the vote.

Paragraphs 7 to 10 are adopted.

On paragraphs 11 and 12, I have two amendments:

— Amendment No 9, tabled by Mr Ligios and Mr Pisoni:

Replace paragraphs 11 and 12 with the following:

- '11. Approves the Commission's proposal for cutting back investments in the milk and milk products sector and therefore also approves the abolition, for a period of 3 years, of national and Community aid in this sector, except for less-favoured regions and mountain areas;'

— Amendment No 17, tabled by Mr Gibbons:

Paragraph 11

This paragraph to read as follows:

- '11. Considers a ban on national and Community aid to the dairy sector difficult to reconcile with the objectives of the Community policy on structures and therefore asks for Community aid to be maintained — at least in the pasture areas and other areas in which there is no alternative to dairy farming — for clearly-defined projects of moderate size that fit in with the planned structural reform and contribute to improved working conditions on family farms, without expanding production capacity;'

I call Mr Bersani to move Amendment No 9.

**Mr Bersani.** — (I) We feel that the present wording of paragraphs 11 and 12 leaves the door open to the continuation of an investment policy which must be considered excessive for this sector, particularly in view of the figures I took the liberty of quoting during my first statement.

The wording we propose, however, apart from answering better a passage in Mr De Koning's report, draws a clear distinction between incentive and financing policies and those which, in our view, are essential for the less-favoured regions and mountainous areas, where it is useful and advisable to continue with a policy of structural support.

**President.** — I call Mr Yeats to move Amendment No 17.

**Mr Yeats.** — The reason for Amendment No 17 is that the existence of national aids continues to distort the application of the common agricultural policy in the Member States. It is estimated fairly conservatively that in 1976, 9 000m u.a. will be spent by national governments outside the Community framework, whereas in stark contrast we have only 157m u.a. which have been entered as payments in the Guidance Section of the EAGGF for the 1977 budgetary year.

National aids, as we know, are often in direct contradiction to the objectives of the Community's structural policy. Because national aids are at different levels in the Member States, depending on the degree of prosperity of the states concerned, they frequently result in unfair discrimination between farmers in the different Member States.

Lip-service has been paid time and again by the Council and the Commission to these national aids. Indeed, Parliament has constantly and consistently denounced them, but they continue to exist.

Parliament should accept the amendment in order to declare again our hostility to the concept of national aids.

**President.** — What is Mr De Koning's position ?

**Mr De Koning, rapporteur.** — (NL) With regard to Amendment No 9, I feel that this is too undifferentiated a wording for the limitation which has to be introduced into aid policy. In my presentation, I also made it clear that we advocated a policy designed to counter any expansion in production but in which modernization could go ahead if possibilities existed for it. Mr Lardinois' reaction was not to change this. He purely said that he first wanted to see projects in which modernization was possible without expecting some expansion in production. I therefore prefer the wording of paragraphs 11 and 12 as it stands and recommend Parliament to reject Amendment No 9.

Regarding Amendment No 17, I would say that its object is clearly exactly the same as my own. The question is merely how this can be expressed in the most accurate fashion. If the term 'Community aid' is used, we run the risk of giving the impression that this concerns exclusively aid from the Community. But even in the case of Community aid there is agreement between the Community and the Member States that 25 % is financed by the Community and 75 % by the Member States or, at least, that is the most usual split...

**Mr Lardinois, Member of the Commission.** — (NL) I think there is a misunderstanding. When we give

Community aid, the Community gives 25 %, the Member State 5 % and the farm that is assisted 70 %.

**Mr De Koning, rapporteur.** — (NL) With this misunderstanding about the term 'Community aid' disposed of, I feel that Parliament might well adopt this amendment.

**President.** — I put Amendment No 9 to the vote.

Amendment No 9 is rejected.

I put Amendment No 17 to the vote.

Amendment No 17 is adopted.

I put paragraphs 12 and 13 to the vote.

Paragraphs 12 and 13 are adopted.

On paragraph 14, I have 4 amendments :

— Amendment No 10 (first part), tabled by Mr Ligios and Mr Pisoni, replacing paragraph 14 with the following :

14. Points out that in the middle of September 1976 surpluses in the milk and milk products sector amounted to 423 000 tonnes of butter and 1 372 000 tonnes of milk powder, distributed over the Member States as follows :

	<i>Butter</i>	<i>Milk powder</i>
1. Germany	123 227	583 099
2. France	133 805	396 764
3. Belgium	21 395	118 158
4. Netherlands	56 442	72 155
5. Ireland	23 063	109 811
6. U.K.	50 413	39 870
7. Denmark	12 608	42 438
8. Luxembourg	1 931	10 063
9. Italy	0	0

Therefore believes it unjust to penalize countries which have contributed little or nothing to these surpluses ;

— Amendment No 20, tabled by Mr Liogier and Mr Gibbons on behalf of the Group of European Progressive Democrats :

This paragraph to read as follows :

'14. (a) Recognizes the need to establish a direct link between milk production and sales so as to encourage producers to limit production while at the same time making funds available for sales promotion ;

(b) Considers the introduction of financial co-responsibility inadvisable under present circumstances ;

(c) Therefore invites the Commission to consider other measures as an alternative to financial co-responsibility such as the temporary freezing of milk prices at a certain level which would serve the dual purpose of discouraging milk production and not causing an increase in prices of milk products for consumers ;'

**President**

— Amendment No 3, tabled by Lord Walston on behalf of the Socialist Group :

This paragraph to read as follows :

'14. Considers that the most effective means of ensuring genuine co-responsibility is for the levy to be tied directly to the amount of over-production that takes place and to the losses incurred by the Commission in storing and ultimately disposing of the ensuing surpluses ;'

— Amendment No 6, tabled by Mr Martens : This paragraph to read as follows :

'14. Pending a Commission proposal on the possible imposition of a temporary co-responsibility levy on milk producers, recalls paragraphs 7, 18, 33 and 35 of the resolution adopted by Parliament in June 1975 on the basis of the Scott-Hopkins report on the stocktaking of the common agricultural policy ;'

I call Mr Bersani to move the first part of Amendment No 10.

**Mr Bersani.** — (I) As I pointed out in my statement, I support the principle, expressed in this amendment, of producer co-responsibility.

The intention in this amendment is to spotlight the absurdity and iniquity of a measure which takes no account of the current situation and would boil down to penalizing disproportionately those who are in no way responsible for the situation that has arisen.

**President.** — I call Mr Liogier to move Amendment No 20.

**Mr Liogier.** — (F) The justification for this amendment, which, incidentally, answers the question Mr Lardinois has just put to me, is as follows. In spite of the drought, milk production is still too high. Nevertheless, because of the drought, dairy farmers cannot bear the additional loss in income that would be caused by a fresh levy. If financial co-responsibility is adopted it might last indefinitely. To be effective, the rule and supervision of co-responsibility would be difficult and very expensive and, in all probability, would absorb a large share of the proceeds from the new tax.

On the other hand, it would seem that temporarily freezing prices at a certain level would be simpler and more effective, cause no expense and involve consumers in no extra cost.

**President.** — I call Lord Walston to move Amendment No 3.

**Lord Walston.** — Amendment No 3 is of more substance than were the previous ones I moved. I shall not go into the reasons for that, as I did so in the general debate. I was encouraged to hear Commissioner Lardinois say that he had taken the general idea of tying co-responsibility to the amount of the surplus very seriously. I was also encouraged by what he said about paragraph 21, which deals with the levy on vegetable oils. He said that he would have been less opposed to that proposal had some alternative to the levy been put forward.

I suggest that if the amendment is adopted there will be an alternative to the levy on oils and fats. The amendment urges that the money which comes from the co-responsibility levy should be used to off-set the losses incurred by the Commission in storing and ultimately disposing of the ensuing surpluses. It can be used as a direct subsidy, either for surplus butter or for school milk from Sicily to Scotland, or for any other purpose. It will be used to bring down the cost of living, whereas the levy on oil and fats puts up the cost of living. By adopting the amendment we shall remove one of the main objections of the Commissioner to the subsequent paragraph 21. I urge my colleagues to adopt the amendment.

**President.** — I call Mr Martens to move Amendment No 6.

**Mr Martens.** — (NL) The first version of paragraph 14 was, and the present version still is, very evenly balanced. Mr De Koning weighed up the advantages and disadvantages of both, but the scales tipped in favour of introducing the levy.

My own standpoint, set out in the first amendment which I defended before the Committee on Agriculture, was that I agreed with the principle of introducing a levy provided that a levy was also imposed on margarine. But that was thrown out.

I then referred back to the conclusions from the Scott-Hopkins report on the stocktaking of the Common Agricultural Policy. This mentions a series of conditions, including the condition that there had to be agreement on co-responsibility.

Because I am now in some doubt, since at the same time we are postponing the levy, whereas we may again be faced with a surplus when prices are reviewed, I have taken the position that I shall give my agreement as soon as we know the Commission's final proposals on this point.

That is, in fact, the only thing that is changed. We are entering a certain reservation. I would first like to know the exact wording of the Commission's proposals and then, perhaps, I shall agree to them. Later, However, I shall return to paragraph 21. But if only one proposal is adopted and not the other it is difficult for me to agree.

**President.** — What is Mr De Koning's position ?

**Mr De Koning, rapporteur.** — (NL) With regard to Amendment No 10, I must say that the figures quoted in the amendment are impressive but raise some questions. They indicate that Italy had zero stocks in the middle of September 1976, at the beginning of winter. The simple conclusion from that is that the Italians will be able to get through the spring only with the help of the stocks in other Member States. The figures, in my view, say rather less than what is suggested.

**De Koning**

My main objection to this amendment is to the proposed paragraph 15 and in particular to the phrase 'to ensure that the individual Member States bear the responsibility for the surpluses they produce'. Surely this would rob the milk policy completely of its Community character.

A second objection applies to the freezing of the EAGGF appropriations. Mr Lardinois has rightly argued on many occasions that this can only happen if the regulations are changed. Whilst the regulations as they now are remain in force, there can be no freezing of appropriations. I would therefore recommend that this amendment too be rejected.

I come next to amendment No 20. This says that financial co-responsibility is inadvisable under present circumstances and that a better alternative would be a temporary freezing of the market price. The suggestion is that this would give a clear signal to dairy farmers that the limits to the sales of milk had been reached; this is the way in which this measure would serve its purpose. The Commission's proposal, however, is a twofold proposal. The Commission wants both to give such a signal and to have funds to increase the market. This second object cannot be achieved by freezing market prices, and with this in mind I recommend Parliament to reject Amendment No 20.

As regards Amendment No 3, I feel that this suggests far too close a relationship between the level of the levy and that of the surplus. I think it is not reasonable to make dairy-farmers alone carry the whole weight of responsibility for surpluses. The Community is responsible as well and certainly has an interest in maintaining stocks in the Community. Moreover, in this amendment, I see no connection at all with the fat levy, and I recommend Parliament to reject this amendment as well.

Lastly, I come to Amendment No 6, tabled by Mr Martens. He says that he has re-read Mr Scott-Hopkins' report on the stocktaking of the Common Agricultural Policy with regard to this point, which in substance is the same as what is contained in the relevant paragraph. I can hardly object to a change to earlier reports that have been approved by this Parliament and I therefore agree to this amendment.

**President.** — I put the first part of Amendment No 10 to the vote.

This text is rejected.

I put Amendment No 20 to the vote.

Amendment No 20 is rejected.

I put Amendment No 3 to the vote.

Amendment No 3 is rejected.

I put Amendment No 6 to the vote.

Amendment No 6 is adopted.

We now move on to paragraph 15.

Mr Bersani, are you maintaining the second part of Amendment No 10?

**Mr Bersani.** — (I) I withdraw the amendment, since I agree in part with the comments of the rapporteur.

**President.** — Amendment No 10 (second part) is accordingly withdrawn.

I put paragraph 15 to the vote.

Paragraph 15 is adopted.

After paragraph 15, I have three amendments:

— Amendment No 14, tabled by Mr Bourdellès, Mr Durieux, Mr Durand and Mr Jozeau-Marigné:

After paragraph 15, add a new paragraph worded as follows:

'15a. Calls for the progressive application of any levy introduced, the amount being based on the quantities sold direct to the farm or delivered to the dairies.'

— Amendment No 13, tabled by Mr Bourdellès, Mr Durieux, Mr Durand and Mr Jozeau-Marigné:

After paragraph 15, add a new paragraph worded as follows:

'15b. Also calls for the introduction of a basic abatement for the first 30 000 litres of milk.'

— Amendment No 16, tabled by Mr Liogier and Mr Gibbons on behalf of the Group of European Progressive Democrats:

After paragraph 15, add the following new paragraph:

'15a. Considers inequitable the exemption from the co-responsibility levy proposed for the mountain areas and less-favoured regions defined under Article 3(3) of Directive 75/268/EEC, and asks for the less-favoured regions defined under Article 3(4) and (5) to benefit also from this exemption.'

I call Mr Kofoed to move Amendments Nos 13 and 14.

**Mr Kofoed.** — (DK) I hope Members can understand the text and vote accordingly. I am unable to recommend it.

**President.** — I call Mr Liogier.

**Mr Liogier.** — (F) Mr President, being one of the signatories, in committee, to the two amendments tabled by Mr Bourdellès and others, I shall move them in his absence.

Amendment No 13 proposes a social measure, since 30 000 litres of milk correspond to a stock of 10 dairy cows. Do you sincerely believe that a farmer with only 10 cows can be regarded as responsible for the Community milk surplus?

**President.** — What is Mr De Koning's position?

**Mr De Koning, rapporteur.** — (NL) Amendments Nos 13 and 14 are two ways of saying the same thing and I shall therefore give my opinion on both at once. Amendment No 13 proposes that the smallest farms be excluded and Amendment No 14 suggests making the levy progressive so that the burden lies more particularly on the bigger farms. However necessary it is to have a good social policy, there is no use trying to do it *via* this levy any more than by a differentiated milk price. All farms get the same price for their milk. Mr Liogier says that farms with only 30 000 of milk are farms with only 10 cows. Mr Martens' figures suggest that most farms in the Community have no more than 10 cows, so it is not a matter of a few exceptions. It would mean putting a brake on the trend towards larger farms, which we all regard as better from the structural viewpoint. I therefore feel that adopting these amendments would be putting the cart before the horse and retarding development. I must therefore recommend Parliament to reject these two amendments. Amendment No 16 is, in my view, superfluous. In the present wording, the last sentence of paragraph 14 refers to an exception for those operating in less-favoured and hill-farming areas. This amendment refers in complicated legal fashion to Article 3(3), which refers to mountain areas, and Article 3(4) and (5), which refers to less-favoured regions. In my view this point is made more clearly and more legibly in the last sentence of paragraph 14. I agree with the substance of Mr Liogier's wishes, but they are superfluous.

**President.** — I call Mr Liogier.

**Mr Liogier.** — (F) Mr President, although Mr De Koning has already given his opinion on Amendment No 14, I would also like to give mine. Is not the responsibility for the over-production of milk a function of excessive deliveries to the milk market? Is it not, therefore, the fault of the large producers? Certainly it is. Therefore the co-responsibility levy ought not only to be fixed in relation to the amount sold; it should also be progressive. A progressive levy would also be the kind of deterrent that would encourage the big farmers to reduce their milk production in order to avoid paying levies at the rate applying to the highest brackets.

As regards Amendment No 16, about which Mr De Koning has also already spoken before I had an opportunity to move it, here is the reason for it.

In fact, Mr De Koning is in agreement with me. It is a fairly complicated matter. According to the Commission's proposal, only the mountain areas in France, Germany and Italy appear to be exempted from the co-responsibility levy. Dairy-farmers in the mountain areas and less-favoured regions of the other Member States would therefore be liable to the levy. This is unfair and cannot be accepted. I am thinking particularly of Ireland.

The Commission refers in particular to the exception made for mountain areas and less-favoured regions as defined in Article 3(3). It is therefore necessary to include a specific reference in the motion for a resolution allowing the exemption from the levy to be granted to the less-favoured regions defined in Articles 3(4) and 3(5). The reference to these areas in paragraph 14 of the motion for a resolution, as originally drafted, was not sufficiently clear, because it did not refer to the articles defining the less-favoured and hill-farming areas, whereas the Commission did refer to a specific article, which relates, however, purely to certain countries and, in those countries, only to mountain areas.

**President.** — Before calling Mr Lardinois, I call Lord Castle on a point of order.

**Lord Castle.** — Mr President, when the Commissioner has spoken, has the rapporteur the opportunity to reply; and, if so, will this set a precedent for future sittings of the Assembly?

**President.** — Lord Castle, the Commissioner, if he wishes to intervene, has the right to do so at any moment. After that, if the rapporteur wishes to intervene he, too, has the right to do so.

**Lord Castle.** — Are we going on a precedent set this afternoon? This afternoon the intervention of the Commissioner wound up the debate. This was a dramatic and somewhat pathetic occasion. If we are going to have this happening with the Commissioner intervening, we must establish whether somebody else can follow him. This afternoon it was more or less ruled that nobody can follow him.

**President.** — The Commissioner can intervene, when he wishes: it is his right so to do. As we are dealing with a report this evening, the rapporteur can intervene if he catches my eye after that. You will, of course, remember, Lord Castle, that this afternoon we were dealing with an oral question with debate, when we had no rapporteur.

I call Mr Lardinois.

**Mr Lardinois, Member of the Commission.** — (NL) Mr President, I have asked to speak because there is clearly a serious misunderstanding, which arose, I think, after Mr Liogier's statement. The Commission has proposed that only the real mountain areas be exempted from the milk levy. A clear definition of real mountain areas is given in our regulation on agriculture in mountain areas and less-favoured regions. This definition is set out very precisely and also depends very much on the height of the areas above sea-level. They are known everywhere. They are the same areas where an extra amount is paid for all the



**Lardinois**

milk produced in such areas, which, incidentally, does not apply to the less-favoured areas.

**President.** — I call Mr De Koning.

**Mr De Koning, rapporteur.** — (NL) Mr President, I have asked to speak in order to put right a mistake for which I tender both you and Mr Liogier my apologies. I assured Mr Liogier that the meaning of his amendment was reflected in paragraph 14 of my motion for a resolution, but I then realized that this paragraph 14 has been changed by the wording of an amendment by Mr Martens in which this is no longer the case. If, therefore, we wish to include the meaning of Mr Liogier's amendment — and I feel that we certainly do — then we must adopt the amendment.

I therefore recommend Parliament to do so. In the Committee on Agriculture it was clearly decided that the exception should apply to mountain areas and less-favoured areas.

**President.** — I put Amendment No 14 to the vote. The amendment is rejected.

I put Amendment No 13 to the vote.

The amendment is rejected.

I put Amendment No 16 to the vote.

The amendment is adopted.

I put paragraphs 16 and 17 to the vote.

Paragraphs 16 and 17 are adopted.

On paragraph 18, I have Amendment No 5, tabled by Mr Laban on behalf of the Socialist Group :

Delete the following words at the end of this paragraph :

'and feels that producers should participate equally in the administration of the funds they themselves provide ;'

I call Lord Walston to move the amendment.

**Lord Walston.** — The word 'equally' is the stumbling-block. There is no objection to some participation by producers, but we feel that it is not right that they should have an absolutely equal say in the disposal of the money raised in this way.

**President.** — What is Mr De Koning's position ?

**Mr De Koning, rapporteur.** — (NL) I do not think that it is a question of translation. The wording in the Dutch text is : 'en is van oordeel, dat aan de producenten het recht van medebeheer moet worden gegeven over de door hen opgebrachte gelden'. I do not hear the word 'equally' in that phrase. Perhaps it would be possible to drop the word from the English text and to put 'to participate in its place. Perhaps the Members tabling the amendment would agree.

**President.** — I do not know what Lord Walston would feel about the word 'equally' being taken out.

**Lord Walston.** — I should feel perfectly happy.

**President.** — The word 'equally' in the English text shall be removed. The amendment is accordingly withdrawn.

I put paragraph 18, as orally amended, to the vote.

Paragraph 18, as orally amended, is adopted.

I put paragraphs 19 and 20 to the vote.

Paragraphs 19 and 20 are adopted.

On Paragraphs 21 to 23, I have four amendments :

— Amendment No 11, tabled by Mr Liogios and Mr Pisoni :

Replace paragraphs 21, 22 and 23 with the following :

'21. Approves the Commission's proposal to introduce a levy on vegetable oils and fats since this levy will have only a negligible effect on consumer prices of margarine and will also reduce the unjustified advantages which products whose raw materials are almost exclusively imported from third countries enjoy on the Community market at the expense of animal fats produced exclusively in the Community ;'

— Amendment No 21, tabled by Mr Liogier and Mr Gibbons on behalf of the Group of European Progressive Democrats :

Paragraph 21

This paragraph to read as follows :

'21. In view of the obvious need to avoid possible distortions of competition and the Community's obligation to give sales priority to its own domestic produce, considers that the levy on vegetable oils and fats should be introduced as a corollary to the financial co-responsibility levy ;'

— Amendment No 15, tabled by Mr Bourdellès, Mr Durieux, Mr Durand and Mr Jozeau-Marigné :

Paragraph 21

This paragraph to be worded as follows :

'21. Approves, in principle, the proposal for a levy on vegetable oils and fats but realizes that the application of such a levy could cause considerable difficulties in trade relations with certain third countries ;'

— Amendment No 7, tabled by Mr Martens :

Paragraph 21

This paragraph to read as follows :

'21. Pending practical Commission proposals, considers that although the levy on vegetable oils and fats can be approved as a measure to prevent further deterioration in the competitiveness of animal fats, this advantage is outweighed by the disadvantage of an increase in consumer prices for edible vegetable fats to be expected as a result of the levy ; expects, moreover, that this levy will give rise to considerable difficulties in trade relations with third countries ;'

I call Mr Bersani to move Amendment No 11.

**Mr Bersani.** — (I) I withdraw the amendment.

**President.** — Amendment No 11 is accordingly withdrawn.

I call Mr Liogier to move Amendment No 21.

**Mr Liogier.** — (F) Mr President, if we introduce the co-responsibility levy for milk products it would be vitally necessary, in our view, to tie it to a tax on vegetable oils and fats. This is also what the Commission thinks.

The point is that it would be unfair to privilege vegetable oils and fats purely at the expense of butter. I would add, as Mr De Koning pointed out in the meetings of the Committee on Agriculture, that the vegetable oils and particularly fats in question in this case are very often sophisticated products, as much industrial as they are agricultural, almost always including added chemical products (whose harmlessness for the health of the consumer is far from being proven), and, moreover, come to a large extent from third countries, whereas butter is a healthy and purely agricultural product, made 'at home', and coming exclusively from what are often the poorest farms in the Community located in regions where migration away from the land must be stopped at all costs.

**President.** — I call Mr Kofoed to move Amendment No 15.

**Mr Kofoed.** — (DK) I would refer the House to what I said in my first speech. I think that if there is to be a levy on milk products there should also be (because of competition) one on vegetable oil. It is also necessary because of our trade links with certain third countries.

**President.** — I call Mr Martens to move Amendment No 7.

**Mr Martens.** — (NL) It was my intention to reinstate the original text of Mr De Koning's report through an amendment. As I have just said, Mr De Koning weighed up the pros and cons in this paragraph and came to the conclusion that there was more in favour than against. There are policy arguments against and other arguments for. He convinced me however, that he was right. I therefore responded by saying that I believed him for the time being but that I wanted first to see precisely what the Commission would propose. The intention is therefore to enter a reservation until we know what they contain. For the last part of the amendment, however, concerning third countries, I would like to draw a distinction.

The distinction is between third countries that are developing countries and others that cannot be so described. I can conceive of problems arising even though compensation is provided. If the United States

is a 'third country', then I no longer agree with the text of the motion for a resolution. Surely we know that the United States is exporting many products to Europe and at the same time preventing us from exporting the products we make out of them, such as cheese and meat, to the United States.

If this is the trade he refers to, then Mr De Koning does not satisfy me. If, on the other hand, he refers to relations with developing countries he does convince me to some extent.

I would therefore propose that we adopt the original text for the paragraph proposed by Mr De Koning, subject to the reservation that we must know the final wording of the proposals that the Commission is shortly to submit to us.

**Mr Kavanagh.** — I want briefly to speak to Amendment No 21. I intend to oppose it, because in the last week we have had two green-pound changes in Ireland, which have resulted in an increase to the Irish consumer of between 5p and 7p a pound in the price of butter. This has put butter into the luxury class for many people in Ireland. Their only alternative is margarine. I consider that that change in the green pound has reasonably well compensated the dairy farmers for any losses they have had. Devaluation over the last year has not done enough for the many consumers in the towns and the cities and in the whole country. People in rural areas also eat butter. The alternative is margarine.

I shall oppose the amendment, because I believe it is grossly unfair to the very many people for whom this is the only alternative.

**President.** — I call Lord Walston.

**Lord Walston.** — I hope that Parliament will reject all these amendments.

There was considerable argument in the Committee on Agriculture when we discussed this matter. Mr De Koning had put forward a very balanced view, as Mr Martens has said, coming down eventually against the levy. I then proposed the paragraph as it now stands, which says exactly the same thing but in a less balanced way. It says it in a very forthright and down-right way. I felt — and the majority of my colleagues on the Committee on Agriculture agreed with me — that this is one of the occasions when it is good for the Assembly to speak out without any equivocation and make very clear just where we stand. On certain occasions, it is good to be statesmanlike and to balance one hand against the other. But in this case we have no doubt that the levy is a bad one. In my view we should say so in so many words.

I therefore hope that all these amendments will be rejected.

**President.** — What is Mr De Koning's position?

**Mr De Koning, rapporteur** — (NL) Regarding Amendment No 21, tabled by Mr Liogier and Mr Gibbons, I would point out that it takes no account of the policy difficulties which emerged with regard to the consumer in the last few weeks in this Parliament or to the difficulties regarding trade relations. I therefore recommend you to reject this amendment.

On Amendment No 15, I would say that this does take account of possible difficulties with regard to trade relations with certain third countries. The policy difficulties, however, are inadequately reflected in it. In my opinion, therefore, this amendment should also be rejected.

Regarding Amendment No 9, I speak in two capacities. As rapporteur for the Committee on Agriculture I have to observe that we owe the present wording of paragraph 21 to Lord Walston's amendment. The majority of the committee gave its preference to this wording. As rapporteur, therefore, I cannot say that this amendment should be adopted. But I can say that I personally will vote for the amendment, because it reflects the problems in a more differentiated fashion. It is certainly no black and white case.

**President.** — I put Amendment No 21 to the vote. The amendment is rejected.

I put Amendment No 15 to the vote.

The amendment is rejected.

I put Amendment No 7 to the vote.

The amendment is rejected.

I put Paragraphs 21 to 25 to the vote.

Paragraphs 21 to 25 are adopted.

Before the motion for a resolution as a whole is put to the vote, only those Members will be allowed to speak who wish to give an explanation of vote.

**President.** — I call Mr Martens.

**Mr Martens.** — (NL) Now that paragraph 21 has been adopted, it is really impossible for me to give my agreement to the motion for a resolution as a whole. My personal feeling has always been that both proposals should be adopted. Now that this has been rejected in so brutal a manner I cannot, to my regret, approve the resolution as a whole.

**President.** — I call Mr Liogier.

**Mr Liogier.** — (F) For the reasons that Mr Martens has just given and for those I referred to during my

statement, we are unfortunately forced to vote against the motion for a resolution now that the wording of paragraph 21 proposed by Lord Walston in committee has been approved.

**President.** — I call Mr Früh.

**Mr Früh.** — (D) I support the statements which have just been made.

**President.** — I put to the vote the motion for a resolution as a whole, as modified by the various amendments that have been adopted.

The resolution, as amended, is adopted.<sup>1</sup>

## 12. Agenda for the next sitting

**President.** — The next sitting will be held tomorrow, 15 October 1976, at 9 a.m., with the following agenda:

- Announcement of consultations or requests for opinions approved under the procedure without report;
- Motion for a resolution on the violation of human rights in Chile;
- Report by Mr Schwabe on the carriage of goods by road;
- Report by Mr Premoli on the protection of the Mediterranean;
- Oral question on air-traffic control;
- Oral question on bird protection;
- Oral question on motor-vehicle insurance;
- Report by Mr Dykes on taxes on transactions in securities;
- Report by Mr Artzinger on taxes affecting the consumption of manufactured tobacco;
- Report by Mr Ellis on the rational use of energy;
- Report by Mr Osborn on the carriage of perishable goods (without debate);
- Report by Mr Hughes on trade in goods (without debate);
- Report by Mr Frehsee on the storage of products (without debate).

The sitting is closed.

(The sitting was closed at 9.20 p.m.)

<sup>1</sup> OJC 259 of 4. 11. 1976.

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## IN THE CHAIR : MR G. SPENALE

*President*

*(The sitting was opened at 9.00 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. *Appointment of Members of the European Parliament*

**President.** — On 6 October 1976 the Senate and the Chamber of Deputies of the Italian Republic renewed their delegation to the European Parliament, with effect from the close of the present sitting. The following members have been appointed:

Mr Ajello, Mr Albertini, Mr Amadei, Mr Amendola, Mr Bersani, Mr Bettiza, Mr Brugger, Mrs Cassanmagnago, Mr Cifarelli, Mr Colombo, Mr Covelli, Mr Fioret, Mr Galluzzi, Mr Granelli, Mrs Iotti, Mr Leonardi, Mr Lezzi, Mr Ligios, Mr Martinelli, Mr Mascagni, Mr Masullo, Mr Noè, Mr Pisoni, Mr Pistillo, Mr Plebe, Mr Pucci, Mr Ripamonti, Mr Riz, Mr Sandri, Mr Scelba, Mr Spinelli, Mrs Squarcialupi, Mr Vernaschi, Mr Veronesi, Mr Vitale and Mr Zagari.

**President**

These Members' credentials will be verified after the next Bureau meeting. Pursuant to Rule 3 (3) of the Rules of Procedure, they will meanwhile take their seats provisionally in Parliament and on its committees with the same rights as other Members.

I should like to take this opportunity of congratulating the Members whose appointments have been renewed and of extending a warm welcome on behalf of the European Parliament to the new delegates.

**3. Membership of committees**

**President.** — I have received requests from the Socialist Group, the Liberal and Allies Group, the Communist and Allies Group and the non-attached Members for the following appointments to committees :

*Political Affairs Committee :*

Mr Zagari, Mr Amadei, Mr Granelli and Mr Colombo

*Legal Affairs Committee*

Mr Zagari, Mr Riz (to replace Mr Brugger), Mr Masullo, Mrs Squarcialupi and Mr Plebe

*Committee on Economic and Monetary Affairs :*

Mr Ripamonti and Mr Spinelli

*Committee on Budgets :*

Mr Albertini, Mr Colombo, Mr Vitale, Mr Spinelli and Mr Mascagni

*Committee on Social Affairs, Employment and Education :*

Mr Lezzi, Mrs Cassanmagnago, Mr Bettiza, Mr Galluzzi, Mr Pistillo and Mr Granelli

*Committee on Agriculture*

Mr Amadei, Mr Pisoni, Mr Pucci, Mr Vitale and Mr Pistillo

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

Mr Ajello, Mr Martinelli, Mr Brugger, Mr Mascagni and Mr Pistillo

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

Mr Albertini, Mrs Cassanmagnago, Mr Bettiza, Mr Plebe, Mr Veronese and Mrs Squarcialupi (to replace Mr Noè)

*Committee on Energy and Research :*

Mr Amadei, Mr Fioret, Mr Ripamonti (to replace Mr Pisoni) Mr Covelli and Mr Veronesi

*Committee on External Economic Relations :*

Mr Ajello, Mr Martinelli, Mr Pucci, Mr Galluzzi and Mrs Goutmann

*Committee on Development and Cooperation :*

Mr Lezzi, Mr Fioret and Mr Vernaschi

*Committee on the Rules of Procedure and Petitions :*

Mr Riz (to replace Mr Vernaschi), Mr Masullo and Mr Mascagni (to replace Mr Covelli)

*Delegation to the Joint Parliamentary Committee of the EEC-Greece Association :*

Mr Noè, Mr Pisoni and Mr Galluzzi

*Delegation to the Joint Parliamentary Committee of the EEC-Turkey Association :*

Mr Ligios (to replace Mr Pisoni)

Are there any objections ?

The appointments are ratified.

**4. Documents submitted**

**President.** — I have received the following :

- from Mr Gerlach, on behalf of the Committee on Regional Policy, Regional Planning and Transport, a report on the motion for a resolution tabled by Mr Gerlach, Mr Mitterdorfer and Mr Wieldraaijer (Doc. 5/74) on the Community's regional policy as regards the regions at the Community's internal frontiers (Doc. 355/76) ;
- from Mr Schwörer and Mr Mitterdorfer, a motion for a resolution on simplification of customs procedures, customs legislation and institutional methods for dealing with customs matters (Doc. 356/76). This document has been forwarded to the Committee on Economic and Monetary Affairs.
- from the Commission, a proposal for a regulation concerning the final date for submitting applications for aid from the European Agricultural Guidance and Guarantee Fund, Guidance Section, for 1977 (Doc. 358/76)

This document has been forwarded to the Committee on Agriculture.

**5. Texts of Treaties forwarded by the Council**

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

- decision and act concerning the election of the representatives of the Assembly by direct universal suffrage ;
- notice of the completion by the Community of the procedures necessary for the entry into force of the framework agreement for commercial and economic cooperation between the European Communities and Canada ;
- minutes of the notification of the completion of the procedures necessary for the entry into force of the framework agreement for commercial and economic cooperation between the European Communities and Canada.

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

### 6. Petitions

**President.** — At the request of the Committee on the Rules of Procedure and Petitions, petition No. 1/76 by Mr Campbell on a uniform procedure in all Member States for the election by direct universal suffrage of the Parliament and petition No. 3/76 by Mr Heydt on European Parliament initiatives to promote direct elections have been filed without further action.

Petitions No. 4/76 on measures to help after discharge from hospital, No. 7/76 on the protection of migratory birds, No. 8/76 on the publication of Parliamentary guidelines specifying a model programme of public-funded help with home responsibilities, No. 9/76 on the right of European citizens to vote in elections and No. 13/75 on the protection of the basic rights of Turks living in the Federal Republic of Germany, which were referred to the Committee on the Rules of Procedure, have now, at the request of that committee, also been referred to the following committees for their opinions: the Committee on Social Affairs, Employment and Education (No. 4/76), the Committee on Social Affairs, Employment and Education (No. 6/76), the Committee on the Environment, Public Health and Consumer Protection (No. 7/76), the Committee on Social Affairs, Employment and Education (No. 8/76), the Political Affairs Committee (No. 9/76), and the Committee on Social Affairs, Employment and Education (No. 13/75).

#### 7. Decision on a debate by urgent procedure on the motion for a resolution on third-party motor vehicle insurance

**President.** — I must now consult Parliament on the request for a debate by urgent procedure on the motion for a resolution on third-party motor vehicle insurance in the Community (Doc. 357/76)

I call Mr Dykes.

**Mr Dykes.** — The Conservative Group wishes to oppose this application for an urgent procedure debate, for one or two very cogent and tenable reasons. It seems extraordinary that this application has been made at this time. I recall when the matter was originally considered in the Committee on Economic and Monetary Affairs and was proposed under the 'own initiative' procedure by Mr Schwörer. There was then no urgency attaching to this matter. That was emphasized by Mr Schwörer and one or two of his colleagues. One of the factors in the political background was the election in Germany. Why the matter has suddenly become urgent seems to me inexplicable, and I think that, without a proper explanation, the House should not proceed to consider the application but instead should consider the more important items on the agenda.

I do not think that this application is in conformity with Rule 14. I would have thought that it needed justifying on stronger grounds than any reasons that

have so far been given; in fact, no reason had yet been given. We have had no explanation. One can only contemplate that Mr Schwörer has to make an urgent car journey through Europe and needs extra cover along these lines. In the absence of a proper explanation, I suggest that the House should proceed with its normal agenda.

**President.** — I call Mr A. Bertrand.

**Mr Alfred Bertrand.** — (NL) I have no objection to this motion being referred to the appropriate committee so that it can produce a report on this document.

**President.** — I now consult Parliament on the adoption of urgent procedure.

The adoption of urgent procedure is rejected. In accordance with the proposal made by Mr Bertrand, the document will be referred to the Committee on Economic and Monetary Affairs, as the committee responsible, and to the Legal Affairs Committee and the Committee on the Environment, Public Health and Consumer Protection for their opinions.

### 8. Procedure without report

**President.** — At the sitting of Monday, 11 October 1976, the House was informed of the list of Commission proposals to be approved in accordance with the procedure without report provided for in Rule 27 (A) of the Rules of Procedures. Since no Members have asked leave to speak and no amendments have been tabled, I declare these proposals to be approved.

The following are the Commission proposals concerned:

- Proposals for a regulation on the opening, allocation and administration of a Community tariff quota for dried grapes in immediate containers of a net capacity of 15 kg or less, falling within subheading 08.04 B I of the Common Customs Tariff (1977) — (Doc. 232/76);
- Proposal for a regulation on the opening, allocation and administration of a Community tariff quota for fresh or dried hazel-nuts, shelled or otherwise, falling within subheading Ex. 08.05 G of the Common Customs Tariff and originating in Turkey (1977) — (Doc. 252/76);
- Proposal for a regulation increasing the Community tariff quota opened for 1976 by Regulation (EEC) No 2888/75 for certain eels falling within subheading Ex. 03.01 A II of the Common Customs Tariff (Doc. 254/76);
- Proposal for a regulation on the opening, allocation and administration of a Community tariff quota for certain eels falling within subheading Ex. 03.01 A II of the Common Customs Tariff (first half of 1977) — (Doc. 258/76);
- Proposal for a regulation totally or partially suspending Common Customs Tariff duties on certain products falling within Chapters 1 to 24 of the Common Customs Tariff and originating in Malta (1977) — (Doc. 303/76);

**President**

- Proposal for a regulation on the opening of a tariff quota for new potatoes falling within subheading 07.01 A II of the Common Customs Tariff for the first half of 1977, originating in Cyprus (Doc. 304/76);
- Proposal for a regulation opening, allocating and providing for the administration of a Community Tariff quota for apricot pulp falling within subheading Ex. 20.06 B II c) aa) of the Common Customs Tariff, originating in Israel (1977) — (Doc. 305/76);
- Proposal for a regulation temporarily suspending the autonomous Common Customs Tariff duty on mushrooms, excluding cultivated mushrooms, dried, dehydrates or evaporated for the processing industry of subheading Ex. 07.04 B (Doc. 308/76);

## Proposals for

- a regulation opening, allocating and providing for the administration of Community tariff quotas for port wines, falling within subheading Ex. 22.05 of the Common Customs Tariff, originating in Portugal (1977)
- a regulation opening, allocating and providing for the administration of a Community tariff quota for Madeira wines, falling within subheading Ex. 22.05 of the Common Customs Tariff, originating in Portugal (1977)
- a regulation opening, allocating and providing for the administration of a Community tariff quota for Setubal Muscatel wines, falling within subheading Ex. 22.05 of the Common Customs Tariff, originating in Portugal (1977)

(Doc. 309/76);

## Proposals for

- I. a regulation opening, allocating and providing for the administration of a Community tariff quota for dried figs falling within subheading Ex. 08.03 B of the Common Customs Tariff, originating in Spain (1977)
- II. a regulation opening, allocating and providing for the administration of a Community quota for dried grapes falling within subheading Ex. 08.04 B I of the Common Customs Tariff, originating in Spain (1977)

(Doc. 312/76)

- Proposals for regulations opening, allocating and providing for the administration of a Community tariff quota for apricot pulp falling within subheading Ex. 20.06 B II c) 1) aa) of the Common Customs Tariff, originating in Tunisia and Morocco (1977) — (Doc. 313/76);
- Proposal for a regulation amending Regulations (EEC) No 1160/76 and 816/70 laying down additional provisions for the common organization of the market in wine, Regulation (EEC) No 1164/76 on the common organization of the market in products processed from fruit and vegetables and Regulation (EEC) No. 950/68 on the Common Customs Tariff (Doc. 322/76).

9. *Procedural motion*

**President.** — I call Mr Scott-Hopkins on a procedural motion.

**Mr Scott-Hopkins.** — Mr President, I apologize for not having realized this until now, but I wish to raise a small matter concerning the motion for a resolution by Mr Gerlach, item 256. If you will consult the verbatim report of last night's proceedings, you will see that this item was not included on the agenda when the Orders of the Day were announced at the end of the sitting.

Mr Gerlach's question was answered during the debate yesterday. Mr Lardinois, the Commissioner, is not present today. Mr Gerlach is present and he will know that his question was answered during the debate.

I therefore suggest that Parliament should postpone this item or cancel it, as it was not included in the agenda for today as set out in the verbatim report of yesterday's proceedings.

**President.** — I call Mr Gerlach.

**Mr Gerlach.** — (D) Mr President. After it was agreed, yesterday, to change the agenda, with the discussions on the milk market ending the day's proceedings, I asked the Bureau whether my motion for a resolution would be discussed today and this was agreed. I therefore object to Mr Scott-Hopkins's proposal.

**President.** — Honourable Members, I did not personally take part in yesterday's sitting. The question that must be considered is whether there was a clear vote on this item. Since there was not, we shall leave it on the agenda as entered.

10. *Human rights in Chile*

**President.** — The next item is the motion for a resolution (Doc. 353/76) tabled by Mr A. Bertrand on behalf of the Christian-Democratic Group and Mr Fellermaier, on behalf of the Socialist Group, on the violation of human rights in Chile.

I call Mr Bertrand.

**Mr Alfred Bertrand.** — (NL) Mr President, I know that it is becoming a regular event to table motions in the Parliament regarding the violation of human rights in various countries in the world but now, once again, we have cause to raise our voice in protest.



**Alfred Bertrand**

Only this week, during the discussion of oral questions, Mr Spicer spoke about the violation of human rights in Uganda. Today we feel compelled to table another motion for a resolution in order to express our condemnation and censure of the brutality with which a number of South American countries, particularly in recent months, have displayed their disregard and even complete contempt for the fundamental human rights.

Only a little while ago we were shocked to hear the news of the murder of the former Chilean Minister for Defence in Washington. Recently, too, various assaults have taken place on refugees from Chile and Argentina living away from their countries and hunted down even there. I feel that we cannot remain indifferent to the development of a situation which not only involves the violation of human rights but is also beginning to show signs of sheer terrorism — so that even people who have fled their own country and can therefore no longer take any part at all in political life have to fear for their lives. This is not only the case for Chile to which the motion specifically relates. I would also like to take this occasion to express our great anxiety at the truly dangerous and scandalous development of the situation in Argentina. There too, persecution, expulsions and assault are routine occurrences. This development is particularly distressing for us in view of the many links we have with these countries in South America. In Uruguay too the violation of human rights persists. We therefore feel that it would be right for this Parliament not only to publicly condemn these facts — I have here lists of dozens of names and cases — but also to urge the Conference of Ministers of Foreign Affairs to make special efforts via diplomatic channels, and particularly in the framework of the United Nations, to promote effective protection of fundamental human rights and in particular to insist that committees of enquiry be set up to investigate and possibly confirm the complaints on the spot. Perhaps in this way a development may be initiated through which a greater respect for the dignity of man and proper recognition of his right to freedom and to the free exercise of political rights will become a universally accepted principle.

I therefore invite this Parliament to give its unanimous support to this motion so that the necessary pressure can be exerted on our Ministers for Foreign Affairs.

*(Applause)*

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

**Mr Stewart.** — I am very glad to support the motion for a resolution.

Unhappily, in the kind of world in which we live, all too frequently we are having to protest about the violation of human rights in many parts of the world. When we do so, it is sometimes objected that we are interfering in the internal affairs of certain countries. But it is worth while to remember that today, by virtue of the Charter of the United Nations and in some cases other obligations as well, each country is under an international obligation to observe human rights. A gross violation of human rights, therefore, is not merely the internal affair of the country concerned. It is the violation of an international obligation.

In the case of Chile, it has now become well-known — indeed, the Government of Chile does not attempt to conceal it — that we are not dealing here with such emergency measures as a government may take when subject to a serious threat of subversion, for which at times excuses may be found. We are dealing with a government which has committed a great many political murders, which arrests and detains people for a long period without trial and which engages on the most shocking scale in the practice of torture. It is not, then, a question of a few emergency measures. It is deliberate rejection of human and moral values.

As is apparent from the text of the resolution, it extends to all those, whatever their political opinions, who are not pleasing to the ruling clique in Chile. The first paragraph of the resolution mentions Mr Letelier, The Democratic Socialist. The second paragraph mentions the persecution of the Christian Democrat Party and a publication connected with that party.

The dictatorship in Chile has found, as dictatorships often do, that, if it starts by saying it is opposed to one particular political creed, in the end it extends its tyranny over a wider and wider range.

I wish also to mention that the Chileans have not been content with tyranny inside their own country. Indeed, the murder of Mr Letelier occurred in Washington and created a profound shock throughout the United States. One must realize that we are dealing here with a government that not only tyrannizes its own subjects but extends its activities over the world.

In those circumstances, we are surely justified in passing a resolution of this kind. The question might be asked; what practical effect will it have? We cannot be sure, but I believe that in the world in which we now live it is extremely important that the things we cannot prevent we should nonetheless make clear we will not condone.

*(Applause)*

## IN THE CHAIR: MR SANTER

*Vice-President*

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

The resolution is adopted.

11. *Addition of skimmed milk powder to animal feeds*

**President.** — The next item is the motion for a resolution (Doc. 352/76) tabled by Mr Gerlach, Mr Adams, Mr Behrendt, Mr Flämig, Mr Hansen, Mr Lange, Mr Lautenschlager, Mr W. Müller, Mr Seefeld and Mr Suck on the period of application of the compulsory addition of skimmed milk powder to animal feeds.

I call Mr Gerlach.

**Mr Gerlach.** — (D) Mr President, ladies and gentlemen. With reference to yesterday's debate, which I ask you to resume once again, and with the observation that the explanation given to me with regard to my motion for a resolution was, in my view, unsatisfactory, I would like to make the following four points in explanation of my motion.

1. Through it I do not want to achieve anything more than to restore confidence in the regulations. The protein deposit scheme was due to terminate on 31 October 1976 and the industry had made its arrangements on the basis that it could buy untaxed feedstuff protein as from 1 November.

2. Every day that further deposits have to be paid means an additional burden, during the stall-feeding period (which has begun earlier than in normal years because of the drought), amounting to some DM 1.5 m for German agriculture alone — unfortunately I have no figures for the other Member States. I would refer to paragraph 2 of the motion for a resolution on the milk market adopted yesterday.

3. Postponing the deadline indefinitely will create a permanent state of uncertainty in the feedstuff sector and among feedstuff producers.

4. The protein deposit scheme has caused increases in cost for which, in the last resort, consumers have to pay. That I would also like to avoid.

I move the adoption of my motion.

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

**Mr De Koning.** — (NL) Mr President, my Group is of the opinion that it is undesirable to lay down too strict a time limit for this regulation on the addition of skimmed milk powder. Personally I am no admirer

of all the provisions of this regulation but now that it has been decided to add 400 000 tonnes of skimmed milk powder to animal feeds I feel that the decision has to be carried out. It is of the highest importance, particularly in the light of the debate we had yesterday evening, that this measure be fully implemented in order to make this agreed contribution towards the disposal of at least a part of the stock of skimmed milk powder. I think that this issue must take precedence over the fixing of a specific date.

There is a second objection to the fixing of a deadline at this time. In my view such a decision would play into the hands of the speculators. It is not difficult to imagine that, once this date is fixed, importers of animal feeds who can delay buying until after the 31 October will do so.

In short, it seems to me undesirable, from every standpoint now, to fix a deadline. Our Group is not, therefore, in favour of this motion for a resolution.

**President.** — I call Mr Guazzaroni.

**Mr Guazzaroni, Member of the Commission.** — (I) Mr President, the Commission would not, in principle, object to setting a time limit to the compulsory addition system but it feels — as Mr De Koning has just pointed out — that we would have to wait for the quantity of 400 000 tonnes decided by the Council to be effectively absorbed by the market and the Commission cannot guarantee that this will happen by 31 October.

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

**Mr Liogier.** — (F) Mr President, I simply want to say that the Group of European Progressive Democrats is wholly in agreement with the position taken by Mr De Koning on behalf of the Christian-Democratic Group.

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

The resolution is adopted.

12. *Regulation on the carriage of goods by road*

**President.** — The next item is the report (Doc. 299/76) drawn up by Mr Schwabe, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on

the proposal from the Commission of the European Communities to the Council for a regulation on a system of reference tariffs for the carriage of goods by road between Member States.

I call Mr Schwabe.

**Mr Schwabe, rapporteur.** — (D) Mr President, ladies and gentlemen. In my view this is an important issue both for transport and the tariff regulation but instead of giving a detailed technical explanation I shall confine myself to the following statement.

The committee has considered this subject very thoroughly. It has been concerned — and this should always be the case — to bring about a consensus among the representatives of the 250 million Europeans belonging to nine countries and 55 different parties and having different views on this specific problem. It has been successful. The consensus has been confirmed by the unanimous decision of the committee and I am grateful to all who helped towards this end.

Our object was to endeavour to take the transport policy a stage further. Obviously the motion for a resolution will not have the full approval of everyone involved whether they be transport users or operators. This is the fate of all legislation. But at least it is an attempt to progress with our transport policy and that seems to me to be a good thing.

Since, in the end, there was general agreement in the committee I feel that there is no need for further comments on this Friday morning, even though there is still a surprising number of Members present, and instead move that the motion be adopted.

(Applause)

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

**Mr Mursch.** — (D) Mr President, if you will allow me, I would like to add a few words, in spite of Mr Schwabe's appeal, since I feel it is necessary to know what we are talking about and voting on. The regulation we have to vote on has become necessary in practice because the previous system of so-called marginal tariffs did not work properly. However, it is not just a question of a single measure — and I feel this needs to be said — but of a package of 8 draft regulations proposed by the Commission. This package, in its turn, is the outcome of an earlier memorandum from the Commission which contained an overall concept for transport policy and on which Parliament gave its views two years ago in a comprehensive report and motion for a resolution filling over 100 pages.

We should, however, be careful not to assume that this package submitted by the Commission represents an overall concept. The most we can say is that it is a step in the right direction but nothing more.

The regulation itself liberalizes international transport in the Community and introduces complete price freedom but since the Commission has not submitted any overall proposal for transport policy this creates a new rift — between international and domestic goods transport.

Hence my feeling that it is necessary to close this rift as quickly as possible, but that means harmonizing cost factors.

In that connection, it is not enough, Mr President, to issue well-meaning declarations of intent. The Council must finally be induced to have them followed up by the necessary harmonization measures — and as soon as ever possible.

This involves the harmonization of taxation on goods vehicles and on petroleum, weights and dimensions and infrastructure pricing. In other words, the regulation has no point unless it is followed by further progress in the area of technical, social and tax harmonization.

Mr Schwabe is absolutely right. We took great pains to amplify the Commission's proposal to the point where it will be acceptable to the Council. As Mr Schwabe has said, that was not easy during the discussion but I feel we were successful.

I feel, Mr President, that I should draw the House's attention to one small point and that is this: price freedom can lead to unfair competition. This danger is not as great in the case of private enterprise as in that of nationalized railways. A private operator cannot be prevented from cutting his prices until he goes bankrupt. For the railways it is different. They go begging to the finance ministers and the state meets their losses.

The Commission has assured us — and this was one of the reasons for our approval of the regulation — that it would submit a draft regulation against unfair competition relating not only to the point we are discussing but also to all aspects of transport as a whole. My Group hopes that the promised draft for this regulation will in fact be submitted within the foreseeable future, that is to say by the end of this year if possible. We shall therefore vote for the regulation but we emphatically stress that it is purely a provisional arrangement that must be followed, without delay, by further measures.

(Applause)

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

**Mr Osborn.** — On behalf of the Conservative Group I welcome the proposal — one of a package of eight — although in committee we expressed reservations both to the Commission and to Mr Schwabe. Obviously we welcome paragraph 2 of the Commission's introductory document emphasizing the aim, particularly as regards fixing rates, of achieving a more flexible adaptation of rates to costs for each type of transport and to the state of the market. Again, in paragraph 4 we welcome the proposals for a free formation of rates, an interim measure being the reference tariffs.

**Osborn**

Mr Schwabe knows that we were not too happy about his new Article 9a and would welcome a reappraisal of the Commission's views on this. The purpose is to eliminate disparity of rates, particularly on transportation. As I see it — this should be pointed out by the Commission — it gives a road haulage operator a chance of knowing how his costs can compare with a reference tariff.

Mr Mursch, who is an expert in this matter, referred to international and national traffic and touched on the difficult subject of free competition and then unfair competition. I have tried to understand how this regulation and the proposals would affect a road haulage contractor in my area, for instance. Many road haulage contractors are probably small groups operating up to thirty vehicles and they have expert staff; discovering the ways and means of transporting goods across Europe is part of their skill — not only driving the vehicle, but handling the various procedural and tariff arrangements. One operator I know told me that he exports goods from my part of England — the centre of England — to Community countries and he has routes across the Community and Europe to the Middle East and even the Far East. He gives security for the exporter and delivery within a specified time, which is uncertain by rail or sea. He has experienced difficulty, not so much in respect of the tariffs he should be charging in relation to his costs, although I imagine that one of the virtues of the devaluation of sterling is that a British road operator will be competitive and give us a chance of earning back some of what we are losing. His problem is the use of quotas. He cannot get quotas to go through Community countries.

So, although I, speaking on behalf of one or two road hauliers in the centre of England, welcome this proposal, it is no good if they cannot get a quota and have to route their lorries not through the Community but through Austria and Yugoslavia to Iron Curtain countries.

Although this is a measure in the right direction, its whole apparatus is still working unhappily for people who are trying to earn their living transporting goods in Britain. I greatly hope that the Commissioner will be aware of that side as well, and I will give him details privately after this discussion.

**President.** — I call Mr Guazzaroni.

**Mr Guazzaroni, Member of the Commission.** — (1) Mr President, the report of the Committee on Regional Policy, Regional Planning and Transport refers to a proposal from the Commission which is part of a package of measures regulating three aspects of the operation of the transport market: access to the market, transport rates and terms, and lastly the observation of the market.

The European Parliament has already given its opinion on some of these measures and will be giving

its opinion on certain others during the November part-session. In these proposals it was the Commission's intention to promote a change in the present organization of the transport market between the Member States with the object of adapting it to the present-day requirements of the Community, meeting the requirements of Community integration and making optimum use of available resources.

The Commission is gratified at the approval given to its present proposal and accepts the amendments that have been proposed. In this connection, I would hasten to point out — in reply, incidentally, to some of the comments made today — that the Commission intends to supplement these measures, as soon as possible, with other provisions concerning, more especially, the fight against anti-economic behaviour and serious disruptions of the transport market. These intentions show that we share the concerns that have been expressed not to leave the transport market to fight alone with its own resources in the event of persistent and abnormal disturbances.

However, the Commission — and here I am also replying to the question put by Mr Osborn — does not take the view that anti-crisis action needs to be embodied in each of the proposed measures. On the contrary, we feel that what is wanted is a specific regulation of a general nature calling for thorough study together with all the organizations concerned, particularly because of the difficult nature of the questions involved in finding an appropriate definition of disturbances and the measures calculated to remedy or prevent them. This is why the Commission does not favour the specific amendment proposed by the parliamentary committee. Since the Committee on Transport has rightly pointed to the correlation between simplifying the organization of the transport market and the harmonization of the terms of competition, I feel I should recall that the Commission has submitted a series of measures to the Council aimed in that direction. Following its Communication of October 1973 on the Common Transport Policy, the Commission itself submitted some proposals to the Council concerning, in particular, working conditions in road and inland waterway transport and the co-ordination of investment.

It is therefore to be hoped that the Council will very quickly be able to take a decision on the proposals regarding the weights and dimensions of vehicles and on the design of commercial vehicles.

In view of the extreme urgency of some of the measures proposed — decisions have to be taken prior to 31 December 1976 — the subsidiary bodies of the Council have already begun to study them. Encouraged by the favourable reception given the proposals by the European Parliament, may I courteously ask its Members to exercise their influence in their own national parliaments so that the Commission's ideas

**Guazzaroni**

on this subject, broadly approved by the Committee on Transport, may be adopted.

**President.** — As no else wishes to speak, I put the motion for a resolution to the vote. The resolution is adopted.

13. *Decision on the protection of the Mediterranean*

**President.** — The next item is the report (Doc. 334/76) drawn up by Mr Premoli, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on

the proposal from the Commission of the European Communities to the Council for a decision on the conclusion of a convention on the protection of the Mediterranean Sea against pollution and a protocol on the prevention of pollution of the Mediterranean Sea by dumping from ships and aircraft.

I call Mr Premoli.

**Mr Premoli, rapporteur** — (I) Mr President, as Parliament is aware, a Conference on the Prevention of Marine Pollution in the Mediterranean was held in Barcelona from 2 to 16 February 1976. The Commission was authorized by the Council at that time to participate in the negotiations. The Commission has proposed to the Council that the conclusions and agreements drawn up by the conference should be signed by the Community.

The conference adopted, as you will remember, a Convention on the protection of the Mediterranean Sea against pollution, two protocols and ten resolutions. The Community would only sign the convention and one protocol relating to the prevention of the pollution of the Mediterranean Sea by dumping from ships and aircraft.

The Environmental Action Programme adopted by the Council in 1973 emphasizes the interest that the Community has in reducing marine pollution, given the essential role of the Sea in the conservation process.

Considering that the Treaty of Rome does not provide the necessary power in this area, the Committee on the Environment feels that it is essential that the Community should sign this convention. The committee has already drawn up two reports concerning the signing of the Paris Convention on the prevention of marine pollution from land-based sources: the Martens Report and the report which I myself drew up. In the motion for a resolution in my report a hope was expressed that the Community would participate on similar terms in all future conventions and conferences concerned with the pollution of the Mediterranean.

The arguments presented at that time are still valid and need not be repeated here.

There are further reasons in favour of the Commission's proposal. Firstly, from a technical point of view,

this Convention will fulfil a need which exists in the Community for a better system of protection of the Mediterranean Sea a sea particularly vulnerable to pollution, being closed, with very limited channels for changing its waters. This is why we believe that this Convention should be ratified. It should be added that ratification by the Community is of immense political importance because this is the first time — or one of the very first occasions — on which the Community as such is a signatory. The Committee on the Environment therefore approves this proposal without any hesitation and expresses the hope that the provisions of the Convention will enter into force as soon as possible after signature.

(Applause)

**President.** — Mr Premoli, as you have just made your last speech to this House, I should like to take this opportunity of thanking you for your contributions and to say to you, on behalf of all honourable Members, that we have always valued your interventions highly, and in particular the concern you have shown for the Mediterranean, which is of great importance to all of us.

(Applause)

I call Mr Jahn to speak on behalf of the Christian-Democratic Group.

**Mr Jahn.** — (D) Mr President, ladies and gentlemen, on behalf of Mr Noè and the Christian-Democratic Group I should like to state briefly our position on Mr Premoli's excellent report. We are of course fully in agreement that the Community as such should sign and ratify the outline convention on the protection of the Mediterranean against pollution, together with the associated protocols.

The agreement was in fact signed on 13 September 1976, before this Assembly could deliver its opinion on the matter pursuant to Article 235 of the EEC Treaty. I shall leave it to my lawyer colleagues to go into the aspects of the problem connected with legal and constitutional policy. Nevertheless, this procedure could set an ill-fated precedent for the European Parliament.

However, Mr President, our group has no doubts about the matter itself. On the contrary: this Assembly has already approved the signing by the Community as such of the Paris Convention for the prevention of marine pollution from land-based sources. You will recall that our colleagues Mr Martens and Mr Premoli were rapporteurs on the matter. As Mr Premoli aptly points out in the report now before us, the European Parliament has already fundamentally recommended Community participation, under similar conditions, in all future conferences and conventions on the pollution of the Mediterranean.

**Jahn**

However I should like to turn to another aspect of the problem. Apart from France and Italy from the Community, the Barcelona Conference in February 1976, at which the negotiations on this convention took place, was attended by Egypt, Greece, Israel, Yugoslavia, the Lebanon, Libya, Malta, Monaco, Morocco, Spain, Tunisia, Turkey and Cyprus. Albania, Algeria and Syria did not take part in the conference and it is therefore by no means certain that they will sign the convention.

Of course this should not prevent the other countries from concluding and above all implementing the convention. In fact the uninterrupted development of the, in our view, well-formulated convention and of its protocols is of vital importance.

To conclude, in this connection we should like to ask the Commission when it expects a drastic improvement in the quality of the water in the Mediterranean as a result of the convention.

Above all, we are concerned that the provisions of the convention might remain mere words or in any event be contravened by certain states, whether consciously or unconsciously. Who provides the guarantee that the convention will be correctly implemented? Have any controls been envisaged and who is to carry them out? Experience has shown that international projects which have no effective system of control are, as a rule, doomed to failure.

We therefore urgently request the Commission to take the initiative on behalf of the Community and to set up an effective control mechanism in conjunction with the other signatories. This Assembly will undoubtedly support such an initiative. Moreover, we look forward with great interest to future annual reports by the Commission on progress in the implementation of the convention.

As chairman of the Committee on the Environment, Public Health and Consumer Protection I should also like to thank Mr Premoli for his many years' helpful and effective cooperation in the interests of the Community.

**President.** — I call Mr Mitchell.

**Mr Mitchell.** — Under this heading I want to ask the Commission for information about a specific matter which could have a great effect on pollution in the Mediterranean. The House will be aware that on 11 August 1974 there was a collision between two ships about 3½ miles off the coast near Otranto — a Yugoslav cargo ship, 'Cavtat', and a banana ship, 'Lady Rita'. As a result of that collision the 'Cavtat' sank with its cargo of 230 tonnes of lead tetraethyl and lead methyl, a deadly poison.

The cargo consisted of 900 cylinders containing the lead, each of a thickness of 2.5 mm. The British company which produced the cylinders claims that they have a maximum safety resistance.

Two years have passed since the collision, and my latest information is that nothing much has been done to reduce the potential danger, particularly from the lead tetraethyl which is held in 400 containers below deck. Of the other 500 containers, 250 are above deck and 250 are spread out on the sand at the bottom of the sea. According to a firm of Yugoslav divers, some of these containers have broken up. The local population fears that marine erosion will cause the lead to leak out and the sea to become polluted. If large quantities of lead tetraethyl leaked into the Mediterranean waters a serious problem could arise.

In the scientific and ecological world there are differences of opinion about the dangers. Commander Cousteau called the ship a poison bomb and said that the containers were 'full of sleeping death'. On the other hand, I read a report in *The Times* earlier this week in which Professor Oppenheimer said that the dangers were exaggerated. Nevertheless, the people in that part of Italy — as will be well known to anyone who reads the Italian Press — have been very much up in arms about the danger, and there have been demonstrations.

The cost of recovery is around 1 000 million Italian lira, or 12 m u.a. Will the Commission tell us whether it is involved in this matter, and whether there is anything that we as a Community can do to help the Italian Government, or whoever it may be, to remove the potential danger arising from the sinking of this ship?

**President.** — I call Mr Guazzaroni.

**Mr Guazzaroni, Member of the Commission — (I)** Mr President, the Commission warmly welcomes the fact that the European Parliament, on the basis of the report by Mr Premoli, is about to give a favourable opinion on the decision on the conclusion of a convention for the protection of the Mediterranean sea against pollution, and a protocol on the prevention of the pollution of the Mediterranean sea by dumping from ships and aircraft.

The reason for the Commission's satisfaction is the importance of this international act which, following approval by the European Parliament, can be ratified by the Community before the end of the year.

This is an international act which has political and socio-economic importance: political importance, because the Community — as has been pointed out — is represented as a single body, and also because the convention has already been signed by 12 Mediterranean countries; socio-economic, because the reduction of marine pollution, particularly in the Mediterranean, is of special interest to the whole of the Community.

Having said this, in reply to the question by the last speaker, I would like to say that the Commission is

**Guazzaroni**

aware of the situation caused by the sinking of the 'Cavtat' off Taranto. The Commission knows that for some time measures have been taken and contacts made between the Italian and Yugoslav Governments to remedy the situation — and prevent any danger to those living near these waters. As the speaker pointed out, there are experts who believe that the danger is not so serious. However, the Commission assures you that it will follow with the closest attention all the measures and initiatives which may be taken by the governments responsible and will do all in its power to prevent any danger to the people concerned.

**President.** — As no one else wishes to speak, I put the motion for a resolution to the vote. The resolution is adopted.

**14. Oral question with debate: Promotion of efficient air traffic control**

**President.** — The next item is the oral question with debate (Doc. 328/76) by Mr Osborn, on behalf of the European Conservative Group, Mr Noè, on behalf of the Christian-Democratic Group and Mr Berkhouwer, on behalf of the Liberal and Allies Group, to the Commission on the promotion of efficient air traffic control.

The question is worded as follows :

Subject: Promotion of efficient air traffic control

In view of the collision over Zagreb in Yugoslavia between two aeroplanes going from, and to, destinations within the Community, the Commission is asked :

What progress is being made with IATA, European and Community Civil Aviation authorities, as well as air traffic control organizations, to promote Eurocontrol and air navigational standards which make best use of the latest equipment, promote efficient traffic control, and improve the standard of our safety ?

I call Mr Osborn.

**Mr Osborn.** — Following the report on the aeronautical sector which has already been considered by this Parliament and has now been considered by national governments and parliaments, one asks : what responsibility does the Community, as such — and by that I mean as much the Council of Ministers as this Parliament, let alone the Commission — accept for air navigational safety over European air space ? This question was tabled at the time of the joint meeting in Luxembourg of the Council of Europe and this Parliament and was printed on 14 September, as I felt at that time that this issue was a matter that extended beyond the Community as such. In fact, the deadline for a reply from the Commission was down for 21 September, but, as with all our business, there has been a postponement.

The whole question of air traffic control and air safety has been associated with the recent Community document on aircraft policy and the subsequent report

presented by Mr Noè this year, but he also initiated, on 12 November 1975, a joint action in the field of air traffic safety. Many questions were posed at that time, including the future role of Eurocontrol and the commitment of the Community as such, but the hard fact was that on 10 September, over Zagreb, two aircraft collided and 176 people died.

To prejudge the causes is impossible. The world awaits the result of the inquiry that is now taking place. Earlier this week I asked a question in the House of Commons and received the following reply :

The mid-air collision between the British Airways Trident and an Inex Adria DC9 on 10 September 1976, which took place in airspace for which Yugoslav air traffic control is responsible, is the subject of a full investigation by the Yugoslav authorities and it would be premature to speculate on the follow-up measures which that investigation may show to be necessary or desirable. The Civil Aviation Authority is responsible for safety matters concerning United Kingdom registered civil aircraft and their operation including follow-up action on accidents, and the Chairman of the CAA has assured the Government that the Authority will take all possible action with international bodies, airlines or other organizations to seek to secure any improvements which the inquiry may show to be necessary.

All fine and bright, but I ask what authority the British Civil Aviation Authority has over other national bodies. I have been in touch with the Chairman of British Airways, who has sent me a confidential report, much of which was released to the Press, covering the circumstances, the plot of the wreckage, the DC9 accident recorder and voice recorder information, the Trident accident and voice recorder information, and the progress of the investigation, and we could hope early this month to have more information.

Preliminary investigations, as reported in the Press, suggest that the accident was the result of human error and undercapacity of Yugoslav ground staff. I might add, having visited many aircraft control stations, that I would want to take the blame, to a certain extent, off the people concerned and the procedures and apparatus that they have to operate ; but that is a personal view and it is too premature even to put that forward.

The Council of Europe, however, on 20 December, submitted a motion for a resolution referring to human error and noting that electronic air collision avoidance systems have been developed and are apparently ready for manufacture. It is stated in this motion that the Assembly of the Council of Europe is convinced that, given the risk of human error provoking mid-air collision, the introduction of electronic collision avoidance systems should be made obligatory. It deplores — and so do I — the fact that these decisions are overdue and resolves that both these systems should be studied in depth, with a view

**Osborn**

to their rapid and possibly obligatory introduction into the service.

Mankind can land spacecraft on the moon and launch satellites that operate automatically, so surely the electronics and computer manufacturers are capable of designing and introducing suitable systems, should we decide that they are necessary. I know — and I will refer to this later — that considerable progress has been made in the United States. Electronic devices exist not only for predicting the trajectory of two flights on a collision course but for warning both the pilots of the planes involved and the control authorities, as well as taking the automatic avoiding action necessary at very high speeds to avoid these collisions. This can be done. Surely this concept is but an extension of what the flight director can achieve — a feature of the Concorde, which, of course, at mach 2, flies too quickly for human reaction to be reliable enough. But how many near misses are regularly taking place over European air space? Are they being reported, and what action is being taken?

In 1971 the European Civil Aviation Commission adopted a recommendation on the establishment of an incident-reporting system. In this recommendation, Member States of ICAO to take the matter further by encouraging the installation and use of automated operational monitoring systems such as I have described. About one year ago, the Air Navigation Commission of ICAO examined the question of collision avoidance. The Commission, however, did not find it possible to decide firmly on the three systems which are being developed by industry. Among other things, the Commission could not decide which was the most advantageous system and whether it should be used at a world-wide or regional level.

The countries concerned — namely, the United States of America and the United Kingdom — were invited by the ICAO Commission to continue their studies. There is now a need for greater urgency.

Quite obviously, in the case of a mid-air collision, air safety is a concern of the Bundestag and the House of Commons because it involves planes flying to Germany and from Britain. The Council of Europe — and I have worked on its committees — also works in depth but it is, at the end of the day, only an advisory body.

The Community and the Commission, in spite of proposals for the aircraft industry, still have little mandatory power over the civil aviation authorities of the member countries or over Eurocontrol, and do not even control the European Civil Aviation Conference, of which I have referred, whose reports are regularly examined by the Council of Europe. I do not think we have much reference to their work in the Community. Obviously in the widest concept this is an international issue and must be dealt with by the United Nations and ICAO.

The convention relating to Eurocontrol is still under review. Unfortunately, it has no control over the United Kingdom and French upper air space, but operations at Maastricht have proved that it can work. There is an ATC research centre at Bretigny and there are training courses at Luxembourg.

Will the Commission indicate where Eurocontrol fits into the European picture and what is the exact role of the European Civil Aviation Conference?

IATA has sent representatives to attend our debates, and organizations such as the International Federation of Air Traffic Controllers' Associations, the International Council of Air Craft Owner and Pilot Associations and the International Air Carriers Association also have an interest. Airlines, however, have to face up to the cost of bringing in this expensive equipment. It is necessary for governments to work together.

I suggest that this is a sphere where those representing the Nine, the Council of Europe and the international organizations concerning themselves with air safety in Europe should act. Aircraft safety concerns aircraft navigation as well as airframes and engines.

I very much hope that the Commission, after the report of this accident, will make proposals to the Council and report to this Parliament, to the Committee on Regional Policy, Regional Planning and Transport and to the Committee on Energy and Research on what authority it has to make quite sure that incidents reported and near misses are avoided much more regularly and effectively than is the case at present.

**President.** — I call Mr Guazzaroni.

**Mr Guazzaroni, Member of the Commission** — (1) Mr President, as Mr Osborn has just pointed out, this problem is of worldwide importance and must therefore be solved at world level and not on a purely regional level. Moreover, it is a highly technical problem and the Commission — it must be said — does not have the technical know-how or the specialized staff necessary to follow problems of air safety, which also involves some military aspects.

The Commission is therefore not able to give details on the specific activities of governments or specialized organizations on this subject. It recalls however that the European Parliament in its opinion on the proposals in the action programme for the European aeronautics sector — presented by the Commission in October 1975 — stressed the importance of air safety.

The Council of the European Communities has not yet reached a decision on this action programme. If the Council decision is positive, consideration will have to be given to the question of air traffic safety



**Guazzaroni**

and whether the Community could or should take initiatives in this field. As I have said, the Commission is prepared to take such action if the Council decision is favourable. I would also like to point out that besides Eurocontrol — which is an organization with 8 member states, not all members of the Community — an important role is played by the International Civil Aviation Organization with 120 member states, which also has a regional conference responsible for Europe. This organization directs its efforts particularly towards the improvements and planning of air corridors.

Thus, although the Commission does not have detailed information on the highly technical problems of air safety, it can assure the Honourable Member that it will do all in its power once the Council decision has been taken. In the meantime it can point out that the official statistics of the United Nations indicate constant progress in air safety in the world.

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

**Mr Jahn.** — *(D)* Mr President, ladies and gentlemen, the terrible air crash in which a British aeroplane, chartered by a German firm, collided with a Yugoslavian aeroplane in the Zagreb airspace, has suddenly brought the inefficiency of international air-traffic control and safety into the public eye.

This Assembly has already on several occasions discussed the problem of air-traffic control in the narrow west European air corridors, particularly in connection with the threatened collapse of Eurocontrol. However this is the first occasion on which a question of international safety has arisen since the accident involved a plane from a West European country and one from an East European country. Since the investigations into the cause of the accident have not yet been completed, the European Parliament has no intention of becoming involved in the current investigation procedure. We hope that the responsible international bodies — the ICAO in Paris and other competent organizations — will undertake a world-wide investigation of the present state of air-traffic control with a view to preventing such accidents in the future.

My colleagues and I are deeply concerned about the fact that in recent years air-traffic control has not progressed, particularly within Eurocontrol — according to our information, the position of Eurocontrol has recently been systematically undermined in favour of the national air-traffic control services. This is because several Member States are no longer prepared to strictly enforce the convention they signed in 1960. This development weakens the efficiency of an organization such as Eurocontrol, since

technical requirements in modern civil aviation demand the type of strict, internationally-run system of control which you, Mr Guazzaroni, described. The picture presented by Eurocontrol today, as compared with the 60s, shows that there is cause for concern. It appears that instead of further integration towards a European air-traffic control system, divergencies are emerging among those Community Member States who are also Members of Eurocontrol.

The Christian-Democratic Group emphasizes that air-traffic control must be considered as part of the Community's transport policy.

When you say, Mr Guazzaroni, that air-traffic control is a world-wide responsibility, we also feel that in accordance with the Rome Treaties it is part of the Community's transport policy. We deeply regret that, as you yourself said, the Council has not yet adopted a position on this matter. We need not only an action programme on European aviation but also all the safety precautions required to ensure that aviation functions properly. We do not want the final collapse of Eurocontrol, but greater powers in the intercontinental and international sector. On the basis of our joint experiences, we as the Nine must speak with one voice, and we hope that the Commission will prevail on the Council to reach a positive decision in the near future.

**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 need for an efficient air traffic control system has once more been highlighted by the recent tragic accident in Yugoslavia.

We hope that an accident of this nature will never occur again. However, we must take all the measures necessary to increase the safe control of an ever increasing volume of air traffic.

To do this, Europe has at its disposal the best equipment in the world. We also have highly qualified and experienced air traffic controllers to operate this equipment and to perform a task which involves immense responsibilities and demands. But the Community air traffic control network has one essential weakness: its lack of integration.

One might think that because the European Community exists, an integrated system also exists, or at least that there is no obstacle to integration. Unfortunately this is not so.

The European Parliament has already given its approval to an extension of Eurocontrol to enable an integrated air traffic control system to be set up within the Community. Our group supports this position and we would repeat our invitation to the Commission to propose measures in this field.

**Liogier**

At present, national authorities retain control of air traffic within their own air space. There is indeed some 'transfrontier' cooperation, but on the Community scale, it is insignificant. Consequently, all aircraft flying on international routes — and the passengers travelling in them, must rely on cooperation between the various national air traffic control centres for their safety. This state of affairs in intra-Community air traffic is unacceptable, especially since we know that a greater degree of safety could be guaranteed with an integrated system.

Several reasons militate in favour of setting up and developing an integrated European network. Eurocontrol already operates on a large scale. It has an administrative structure with its headquarters in Brussels. It has a research centre at Bretigny (France) where advanced procedures and systems have been developed with a view to improving and automating air traffic control. This has contributed to the development of European technology in the aviation and electronics industries. Eurocontrol also has a training school in Luxembourg where air traffic controllers, technicians, engineers and other specialists from the Member States and elsewhere can be given export training.

Eurocontrol has shared in large financial investments to benefit air traffic in general.

It has also played a direct part in setting up a central integrated air traffic control system, but at present, this is experiencing serious difficulties because of the attitude of the authorities in the Member States. For some years now, Eurocontrol had been operating an air traffic control centre in Maastricht to control the upper air space over Belgium, Luxembourg and Northern Germany. However, the expansion of this centre, as it had initially been envisaged, is being blocked by the Dutch authorities who are refusing to give control of their upper air space to the Maastricht centre.

In 1975 a second centre designed to control air traffic over Southern Germany was opened in Karlsruhe. Initially it had been envisaged that this centre would be staffed by Eurocontrol personnel, but the Federal German authorities decided differently, and now Eurocontrol personnel are gradually being transferred away.

Another severe blow to Eurocontrol's operations was struck in Ireland. It had decided to finance and look after the operation of a control centre at Shannon equipped with all the latest technical refinements. A building was erected, a computer operating on radar data was installed and the staff received the necessary training to operate it. But the Irish authorities have purely and simply refused to allow this centre to operate and it has now been abandoned, never having been used. These facts show a waste of investment in modern equipment which is absolutely scandalous and consequently, quite intolerable.

The cause must be sought in the general feeling of malaise in the Member States which are fighting shy of the idea of more advanced integration; this same attitude has blocked the progress of the European Communities towards integration, and unfortunately, in the case of Eurocontrol, has even led to a regression, given that the Member States are taking back the control which they had previously agreed to transfer to this European body. Its future as a genuine international body in Europe is thus in jeopardy. The situation, Mr President, is very serious, since it affects the lives of thousands of people who daily travel by air and whose safety demands an efficient integrated air traffic control system.

**President.** — I call Mr Molloy.

**Mr Molloy.** — I rise primarily to endorse the fundamental features of this debate which were outlined so ably by Mr Osborn. He left little to be said about either the technological or the scientific aspects of what is required.

The poignancy of the tragedy of Zagreb affects all concerned and we can understand the terrible grief of the relatives of those who died in that accident.

Although we can acknowledge that, it must be said that what is remarkable in this day and age is the very high standard of efficiency that exists throughout the world in air travel. After saying that, the moment that something like that accident happens we must accept that — even if it is the result of human error — air travel or any other form of travel cannot be said to be one hundred per cent safe. Whenever there is a terrible tragedy such as a collision of this character in mid-air, it raises great apprehensions in the areas that surround our great airports. If some of these air collisions had happened on the approaches to, say, Heathrow or any of our other great airports, the tragedy would be increased dramatically for us.

That is why I agree with those who have already spoken that it is a matter of urgency to ensure that this cannot be repeated. Although I appreciated and understood the Commissioner's reply, it can hardly be described as totally convincing us that all is well.

The Commissioner also said that this was a world problem. Perhaps it must be said in Parliament that the Commission and Council must realize, if they do not realize already, that the Community is part of the world scene and therefore they should find out and correlate all the answers to the problems we have already found within Community countries and make representations on a Community basis to the United Nations.

Let us make the remarkable technical know how that exists in Europe available to the United Nations on a Community basis so that the Americas and other great areas can make their contribution. By this

**Molloy**

means, instead of the contributions being simply on a national basis to the United Nations, they can be on a much wider basis, comparable for example, with the Community.

I believe that we are missing a great opportunity. I do not criticize the Commissioner for what he said. He stated only the current situation. We in Parliament must say clearly to the Commission and to the Council that the current situation of making representations on a world basis on behalf of the Community is unsatisfactory and that there is need for improvement. We want to reassure people about the current standards that exist in air travel, but let us record that Parliament and the Community will exercise vigilance to maintain and, where necessary, improve these standards in the interests of all concerned.

**President.** — The debate is closed.

15. *Oral question with debate:*  
*Bird protection*

**President.** — The next item is the oral question with debate (Doc. 329/76) by Mr Jahn, Mr Artzinger, Mr Burgbacher, Mr van der Gun, Mr Klepsch, Mr Springorum and Mr Vandewiele, on behalf of the Christian-Democratic Group and the Committee on the Environment, Public Health and Consumer Protection, to the Commission on the draft Commission directive on bird protection.

The question is worded as follows :

Subject: Proposal for a directive from the Commission on bird protection

On 9 February 1976 Vice-President Scarascia-Mugnozza replying in plenary sitting to my oral question tabled on behalf of the Committee on Public Health and the Environment on binding Community regulations on bird protection, stated :

'As in all proposals concerning the environment, the Commission has borne in mind the views of the European Parliament, and particularly those formulated in the resolution on Petition No 8/74 of 21 February 1975 and in the extensive debate in which many Members took part.

These are the guidelines which the draft directive is to follow: First, a general system for the protection of wild birds is to be established, comprising the *prohibition of killing* and trapping and of trade in birds, both dead and live. This system would provide for certain exceptions in respect of certain species (for instance, game birds) and certain special situations (for instance, when the population of a particular species grows to a dangerous size).'

Mr Scarascia Mugnozza then added that 'the Commission's intentions, some of which have already found expression in practical measures, ... will be embodied in the proposals we shall be submitting *at an early date* to the European Parliament'.

In point 19 of its resolution of 8 July 1976 on the continuation and implementation of a European Community policy and Action Programme on the environment, the European Parliament 'expects the Commission to take full account of the demands made by the European Parliament in its proposal for a Directive on the harmonization of legislation in Member States on the protection of birds which it announced a long time ago but which has still not been submitted'.

In view of the fact that the European Parliament has still not received the long-awaited Commission proposal and that it has, on the other hand, received numerous protests, together with documentation, from bird protection organizations against the totally inadequate provisions apparently laid down by the Commission in its draft, the following questions are asked :

1. Why, contrary to the views of the European Parliament, has the list of birds which may be hunted contained in the Commission's draft directive been extended to include starlings, blackbirds, chaffinches, wood larks, skylarks, crested larks, tawny pipits, meadow pipits, tree pipits, fieldfares and redwings, thus increasing the number of species which may be hunted from 50 to 61 ?
2. Is the Commission aware that the species which have been added to the list of birds that may be hunted are precisely those most likely to be hunted and killed in Italy and that the adoption of the Commission's proposal would entail the risk of complete extinction of some of the species concerned ?
3. Is it true that the species added to the list are those for whose preservation the Italian bird protection organizations, supported by other European organizations, have always fought and that — as shown in the Italian hunting calendar for 1975/76 — some of these species are at present protected in Italy, so that the adoption of the current Commission proposal would considerably exacerbate what is already a precarious situation in the bird protection field ?
4. Why, during its preparatory hearings of experts, did the Commission consult representatives of the hunting associations, while failing to consult the representative Community bird protection organizations ?
5. Is the Commission prepared, in these circumstances, to revise its proposal for a directive and, in its definitive proposal, to take full account of the above observations ?
6. Is the Commission aware of the urgency of Community regulations in this field and when does it intend to submit its definitive proposal on the protection of migratory birds and song birds to the Council and European Parliament ?

I call Mr Jahn.

**Mr Jahn.** — (D) Mr President, ladies and gentlemen, some of you may perhaps ask what has led the Christian-Democratic Group and the Committee on the Environment to submit for the third time an oral question on the inadequate measures taken by the Community on bird protection. The answer is clear :

## Jahn

Faced with the numerous letters and protests from all parts of the Community — the *'Stichting Mondiaal Alternatief'* has collected millions of signatures — and after consideration of the draft directive on bird protection, which, as we know, has not yet been finalized but which the Commission's experts took as a working basis, we could not help feeling that the binding promises made to Parliament were not being kept.

I think it must again be clearly stated that the starting point is still the unanimously adopted Parliament resolution of 21 February 1975 on Petition No 8/74 on the protection of migratory birds. In this resolution we urged the Commission to submit without delay positive directives or proposals for regulations containing, in particular, the following binding provisions: a general prohibition on bird-catching with nets, a more restricted season for hunting migratory birds using other means, a general prohibition on the tormenting of trapped birds, a strict prohibition on the import of dead song-birds and migratory birds into the Community and a control on the import of live song-birds and migratory birds. This was decided unanimously.

Furthermore, we asked the Commission to propose positive measures, in the interests of effective bird protection, to achieve the following objectives: the setting up of bird sanctuaries where hunting would be totally prohibited, the preservation of special bird species and special reserves for breeding, providing healthy environmental conditions.

I believe that these demands really are not exaggerated but are wellbalanced. We have in no way expressed a desire for a general prohibition on bird-catching, only for limited but effective measures to protect our song-birds and migratory birds from extinction or decimation. Furthermore, we emphasized that the observance of the proposed Community regulation should be ensured by carrying out extensive controls with appropriate penalties and follow-up measures for infringements.

This realistic attitude on the part of Parliament and its Committee on the Environment has the approval of not only the representative bird protection organizations but also the general public in all the Community states and in others outside the Community, as is shown by the letters we are receiving all the time: we have sackfuls of them.

Unfortunately the rules which have been drawn up — the regulation or the directive — do not appear to correspond to our demands.

We cannot understand how, in its directive the Commission has managed to add to the list of bird species which may be hunted three types of lark, three types of pipits and two types of thrush as well as starlings, blackbirds and finches, so that the number

of bird species which may be hunted has increased from 50 to 61. The eleven species named above are at present protected in most European countries. I repeat: in most countries these species are protected. They are the ones which in Italy are particular targets for destruction. According to unanimous statements by a whole series of bird protection organizations and experts, some are in danger of total extinction. So is shown by the 1975/76 Italian hunting calendar, some of the 61 species listed by the Commission for hunting are also protected in Italy.

The efforts of Italian bird protectors are therefore aimed precisely at putting an end to this senseless destruction. We must understand clearly, Mr President, that the decimation or even extinction of these bird species seriously threatens the biological balance in nature which we vitally need. Because of these extinct species — as the Commission has now confirmed 12 species have become extinct in Europe over the last 15 years — we must use chemical means to prevent the destruction of fruit trees and other plants.

If we do not halt this development — 300 million birds will again be destroyed this autumn in Italy — then we will reach a situation in which the ecological balance in northern Europe may be disturbed. We therefore feel that the regulation should make the situation quite clear.

The implementation in its present form of the Commission's draft directive of 12 May 1976 which, much to the regret of the Committee on the Environment, Public Health and Consumer Protection, has become known only indirectly — we first heard about it in connection with a petition for the setting up of an organization for the protection of animals — would, in our view, constitute a major retrograde step in comparison with the present, already unsatisfactory situation.

The Commission's attitude, which we oppose, can in our view only be explained by the regrettable fact that the Commission has not sufficiently consulted the relevant bird protection organizations and scientific institutes. I should like to say quite openly that despite any desire for economy the Commission should, in our opinion, have consulted these experts to a much greater extent, and not only huntsmen and hunting organizations.

Moreover the Commission should study the fundamental question as to whether it wishes to continue consultations with the so-called government experts, who as a rule are again consulted by the Council, so that the same experts are involved both times.

Admittedly we would not go so far as the bird protectors, who are demanding that the hunting associations should not be consulted on any directive on bird protection. However we feel it is important that as

## Jahn

well as the hunting lobby, those organizations should be heeded which are officially acknowledged in the individual countries as public spirited and worthy of support.

But even if, regrettably, the animal protection organizations were not sufficiently consulted, the Commission nevertheless had at its disposal a wealth of scientific material, which should have resulted, at the draft stage, in a proposal involving genuine progress as compared with the present unfortunate situation.

On 21 February 1975, that is more than eighteen months ago, Commissioner Brunner stated in this Assembly that according to a study carried out by the *Frankfurter Zoologische Gesellschaft von 1858* (1858 Frankfurt Zoological Society) — of which, as you know, the world-famous Professor Grzimek, is a member — into the 408 bird species commonly found at liberty in the Community states, only 125 species were still increasing and all the others were decreasing. Over half, i.e. 221 species, are declining yearly; 58 species are threatened with extinction. There are alarming decreases in the numbers not only of grey herons, white storks, ospreys and hawks but also of small song-birds.

There is of course no point in going further into the details of the draft directive within the framework of this oral question. The directive undoubtedly takes insufficient account of the ecological value of birds. Positive results and the need for a wide range of bird species for the proper functioning of the ecological system, are scarcely taken into consideration. The exceptions provided for in Articles 4, 7 and 9 in conjunction with Annex IV, leave the Member States free to retain the present deplorable situation.

Mr President, ladies and gentlemen, in our view the directive on bird protection should be based on the principle that man is not the master of nature but part of it, and that as such he is absolutely dependent on the other parts of our ecological system 'Earth'. Bird protection must be conceived with a view to restoring a healthy environment. The directive must therefore take full account of the ecological significance of birds for the development of the environment in Europe.

In this connection we would urgently request the Commission to undertake a fundamental revision of its draft directive and to submit it to the European Parliament as soon as possible. We will then be able to consider whether it reflects the views of this Assembly, which I have just outlined.

Finally I would ask the Commission to reply fully to the six questions contained in document 329/76. We await with particular interest a statement as to when the long-heralded directive will be published.

**President.** — I call Mr Guazzaroni.

**Mr Guazzaroni, Member of the Commission.** — (I) Mr President, I would like first of all to thank Mr

Jahn and the other speakers for once more placing the problem of bird protection on the agenda of the European Parliament. The European Parliament's interest in this matter is an important encouragement and support for the measures which the Commission has taken and intends to continue taking in this field.

I would like to take this opportunity of summarizing the Commission's work on this subject and to put the record straight on certain points. The Commission has not yet adopted a final position on the question of bird protection, and therefore has not yet adopted any draft directives in this field.

Perhaps the Honourable Members are referring to one single document in this dossier, which is only one of the many elements on which the Commission will later base its proposals for directives.

I would like to add that the Commission has already had a series of contacts — both with independent experts and with experts from the national governments. Early this year it had contacts not only with representatives of international hunting organizations but also with members of scientific ornithological organizations and international associations or organizations for bird protection.

I repeat that these meetings were held in the first half of this year. In the second half of the year — in June and September — the Commission discussed the matter with a group of national experts appointed, as is customary, by the Member States. There will be a further meeting of these national experts in November.

The Commission, as it has already stated in the European Parliament, is treating this problem of bird protection with a deep sense of responsibility. I would like to reaffirm that the Commission is aware of the urgent need for Community rules on this matter. However, it would draw your attention to the fact that the complexity of the problem and the emotive atmosphere surrounding it oblige it to be scrupulously careful in preparing its own proposals.

While recognizing, then, the urgent need for Community rules, the Commission cannot at this stage tell the European Parliament at what precise moment its discussions with the national experts will allow it to put a proposal for a directive to the Council. It can, however, assure the European Parliament that the draft directive it does submit will introduce general rules for the protection of species of wild birds and will take account of the views of the various interested parties and especially of the wishes expressed by the European Parliament.

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

**Mr Nyborg.** — (DK) Mr President, this is not the first time that there has been request for a debate in Parliament on the subject these questions raise, namely the protection of birds.

In 1972 the heads of government meeting in Paris invited the institutions to draw up an action programme on the environment which was subsequently adopted on 22 September 1973. In it the Commission was instructed to make a study of national regulations governing the protection of animal species, and migratory birds in particular, with a view to possible harmonization.

The Group of European Progressive Democrats has always taken a positive stand on the protection of birds and therefore welcomes Mr Jahn's again raising the question of this study since the Commission's efforts so far do not seem to have solved the problems of adequate protection for birds.

Inadequate protection means, as Mr Jahn said in his introduction, that many rare species of bird are being exterminated — which is not only deplorable in itself but also, as stated earlier, has thrown up certain ecological problems. Birds are a very important link in the natural cycle. They live largely on insects which, in large quantities, are harmful to both men and animals. Birds are also a link in as much as they provide food for others. Furthermore, we should not forget that guano is another important element in this cycle.

Our highly developed technical society has itself made it difficult for a rich and varied bird life to survive and there are therefore even stronger grounds for preventing the extermination of birds through hunting or the equally destructive effect which lead poisoning has on our birds. Increasing pollution is a serious danger to bird life and in order to avoid making our environment poorer and wrecking nature's order, it is necessary to take firm action against what is appening.

I can therefore, on behalf of the Group of European Progressive Democrats, support the ideas contained in his Question and also what the questioners have stated. The Commission is therefore called upon to follow the guidelines which the European Parliament has laid down in its many debates in order to guarantee effective protection of our bird life.

We have just heard the Commission's reply to this Question and we sympathize greatly with the Commission's difficulties. It is a difficult and unpleasant subject to deal with, particularly since it is as complicated as it is, but our sympathy for the Commission is not as great as our sympathy for the birds and we shall therefore take the liberty of telling the Commission with all respect to get weaving.

*(Applause)*

**President.** — I call Mr Stewart.

**Mr Stewart.** — I had not intended to speak in the debate. I do so only because I do not want the Commissioner to imagine that, because it is Friday and only a few are here, there is not a great deal of strong feeling about this matter, both in the House and outside. He, as a humane and intelligent man, must be aware how disappointing was his reply. He told us about the Commission's initiative. The whole point of an initiative is that it is a beginning. He told us that the Commission had not yet reached a final stand, and that there were great complications. There always are complications in these matters. Let us realize what is happening.

We live in what can be a beautiful world, diversified, with many forms of life, whose appearance delights the eye and whose sounds delight the ear. Yet here are people who are just hacking the world about and will leave it permanently ugly for the people who come after.

Man is justified in killing an animal for some reasons. For instance, he is justified in doing so if it is about to kill him. There are not many birds of which that can be predicated. He is justified in killing an animal because he wants to eat it, and that accounts for a great deal of the killing of animals. It is legitimate to kill and eat some birds, but who wants to eat a thrush or a skylark?

The ancient Romans began that habit. We have inherited much that is of value from them, but we need not also inherit those aspects of lumpish cruelty and bad taste which disfigured their civilization. What sort of a man is it who, on hearing a skylark, allows the thought to creep into his head that he would like to eat the bird?

Another reason for man killing an animal is to show how clever he is, and that is a temptation with birds because as a rule they do not stand still to be killed. They fly about, and by killing them a man can show how marvellously clever he is. That is not why man's skill and quickness of hand and eye were given to him. The question arises, apart from cruelty to birds, many of which perish instantaneously, of the degradation of human nature involved.

I do not blame the Commissioner. No one man can do much. He had to report how far we had advanced. But I tell the Commissioner — and ask him to tell his colleagues and ministers — that if we continue to get answers like the one he gave there will be a first-class row about this subject.

*(Applause)*

**President.** — I call Mr Spicer.

**Mr Spicer.** — It is extremely easy for me to follow Mr Stewart. We all owe a great debt of gratitude to Mr Jahn for the way in which he raised this matter initially in the Parliament and for his initiative and his determination. One cannot underestimate the reaction of public opinion to this matter being raised throughout the Community.

We talk about the date of 21 January, and the Commissioner has said how pleased he is to see this subject raised yet again in the Parliament. I am not particularly pleased; I am sure that Mr Jahn is not particularly pleased. It is a sad thing that the matter should have to be raised again by Mr Jahn at this stage, and that we have not had the draft proposals from the Commission before us. Last year I wrote to people saying that this matter was now in hand. I said that the Community was taking urgent action on this matter, and I hoped to be able to write to them in the near future giving them an outline of the Commission's proposals.

Eighteen months is a very long time. As Mr Stewart said, we all realize how difficult these matters can be, but surely if this Community is to mean anything to the people who live within it it must be able to take urgent action where urgent action is desirable. If we wait to dot every 'i' and cross every 't' we shall never get this sort of proposal coming before Parliament for approval and we shall never get the support of public opinion that we need, particularly in these matters, which touch so closely upon people's natural feelings of horror and indignation at the way in which birds are being treated within our Community at the moment.

**President.** — I call Mr Jahn.

**Mr Jahn.** — (D) I should like to make a few final remarks. I am particularly grateful for the statement made by Mr Michael Stewart and Mr Spicer, who spoke after Mr Guazzaroni. As chairman of the Committee on the Environment, Public Health and Consumer Protection I can say that we do not agree with the reply from the Member of the Commission. We expect immediate action.

Of course we are fully informed about all the negotiations and discussions which have been held with the various organizations and institutions. We hope that in accordance with the will and the resolutions of this Assembly, a regulation will be submitted settling this matter once and for all in the interests of ecological safety and of protecting the health of animals and men, particularly in northern Europe. We are not here to provide whole regions of the world with protein nor to turn them into marketing centres for animals. We must also deal once and for all with this situation in Italy, because that is where there is the greatest cause for concern, and it is time to say so openly.

**President.** — I call Mr Guazzaroni.

**Mr Guazzaroni, Member of the Commission.** — (I) Mr President, I believe it is my duty to reply to the

Members who have stressed the interest with which Parliament follows this matter, which is clearly of vital importance — as has been emphasized — both from an ecological point of view and on the specific point of nature conservation. I would like to assure Mr Jahn, Mr Stewart and all those who spoke that the Commission (as I have already said) is bringing its full attention and responsibility to bear on this matter.

I have already given Parliament the timetable of meetings and contacts with experts at national and international level which have taken place in the first and second part of this year. I also said that in November we are to have a meeting with national experts.

Following these contacts and the results of studies made by the Commission, we will be in a position to propose the directive I mentioned, which is in line with the Commission's specific commitment to draw up rules covering every aspect of this matter.

**President.** — The debate is closed.

16. *Oral question without debate: Third party motor vehicle insurance*

**President.** — The next item is the oral question without debate (Doc. 318/76) by Mr Schwörer, on behalf of the Committee on Economic and Monetary Affairs, to the Commission on third party motor vehicle insurance in the Community.

The question is worded as follows:

Subject: Third party motor vehicle insurance in the Community

In view of the increasing number of complaints about the effects of divergent national provisions relating to third party motor vehicle insurance in the Community, can the Commission suggest what steps could be taken to achieve internal market conditions in this sector, which is of particular importance for the free movement of persons and services.

In what way does the Commission think that provisions regarding civil liability (cover for personal injury and material damage) could be harmonized and the nature and duration of trans-frontier claim settlement procedures standardized?

I call Mr Schwörer.

**Mr Schwörer.** — (D) Mr President, ladies and gentlemen, in July the Committee on Economic and Monetary Affairs, on whose behalf I have the honour to speak, discussed the harmonization of third party liability for motor vehicles following the increasing number of complaints about the varying national rules on this matter. It is well known and indeed a source of satisfaction that tourist traffic in the Community is constantly increasing, as are economic transactions. It is therefore extremely important for us that motor

**Schwörer**

vehicle insurance should be harmonized in all the Community countries, so that the rules are approximately the same everywhere.

The Committee on Economic and Monetary Affairs considers that similar conditions in this sector should be introduced without delay throughout the Community. The main question here is that of civil responsibility, which is completely different in the various countries. In some countries it is unlimited while in others it is totally inadequate so that in the case of personal injury or damage to property disputes frequently arise as to how the cost should be settled.

Moreover, the settlement of such liability cases is generally a very slow process so that a further unpleasant effect is that the delays lead to financial losses whereby the injured party may only be compensated for a part — sometimes no more than a half — of the damage.

Ladies and gentlemen, we have before us the Commission's reply to a written question by our colleague Mr Jahn, which deals with this matter.

I am very pleased that in its reply the Commission considers it appropriate to harmonize the legislation in the field of third party motor vehicle insurance. This is a welcome statement of intent. However, we should like to go a step further. We have achieved nothing by merely stating that this measure is desirable. We have raised this question because we would like the Commission, in the light of the outcome of meetings with the responsible authorities in the Member States, to propose, without delay, appropriate legislation establishing similar conditions in this important sector throughout the market. It is precisely in this sector that legislation must be harmonized, since this constitutes an important prerequisite for the Community's development in a matter which affects people every day.

**President.** — I call Mr Guazzaroni.

**Mr Guazzaroni, Member of the Commission.** — (1) President, as Mr Schwörer has just pointed out, the commission, in its reply to written question No 184/76 by Mr Jahn, has already expressed its view that to provide uniform safeguards for victims of motor vehicle accidents within the Community. It is necessary to harmonize the legislation of Member States on third party liability.

The agreements concluded pursuant to Council directive No 72/166 between national insurance offices in the Member States under the 'green card insurance' system, lay down that the victim of an accident caused by a motor vehicle registered in another Member State shall receive compensation in accordance with the laws of the country in which the accident happened. The sole effect of these agreements is to guarantee that the victim of an accident caused by a foreign car is treated in the same way as if the accident were

caused by a car registered in the country in which the accident happened. The existing disparities between the laws of Member States on third party motor vehicle liability hurt most of all the foreign victims of an accident caused by a car registered in the country in which the accident happened. In such cases, there remains the risk that the foreign victim will, according to the laws of that country, receive less favourable treatment than he would in his own country as regards the conditions and the amount of compensation.

These disparities also hurt the insurance company which, under the 'green card insurance' system, has to pay the damages caused by the insured. Since the loss is paid, in these cases, on the basis of the foreign legislation, the insurance company can in some cases find itself obliged to pay the victim compensation higher than it would have to under the laws of its own country.

The Commission believes that to eliminate these difficulties and to create in the sector of third party motor vehicle insurance conditions similar to those of an internal market, it is necessary to harmonize the legislation of Member States, at least as regards :

- the extension of third party motor vehicle insurance as regards the amounts of cover,
- the categories of persons covered by third party motor vehicle insurance, for example to include the members of the family of the driver or the occupants of the vehicle which caused the accident, and
- to make it possible for the victim to claim directly from the insurer of the person causing the loss.

The Commission's departments considered the above questions at a meeting on 29 and 30 April 1976 with government experts of the Member States. Not all the Member States are prepared to harmonize their legislation on the above points. Some of them point out :

- that the compensation procedure at present enforced under the 'green card insurance' system has already given satisfactory results and is adequate,
- that a change in the amounts of cover at present enforced would lead in some Member States to an economically unacceptable increase in motor vehicle insurance premiums,
- that harmonization of legislation on third party insurance is impossible without prior harmonization of the laws of the Member States on third party liability.

In spite of the differences of opinion which subsist, the Commission will continue to make every effort to achieve harmonization of the laws of the Member States on this matter.

**President.** — I call Mr Schwörer.



**Mr Schwörer.** — (D) Mr President, ladies and gentlemen, I should like to thank Mr Guazzaroni most sincerely for his answer and to ask Parliament to rectify an error which occurred this morning. The reply from the member of the Commission was similar to that which we expected.

Yesterday, therefore, 12 colleagues submitted document 357/76 containing a motion for a resolution with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure. The President stated that the decision on urgent procedure would be made today provided that the Commission had given its reply. However, the reverse happened: this morning, the question of urgent procedure was decided by referring the matter to committee, although the Commission's reply had not yet been received. I should be grateful if, by adopting the motion for a resolution by urgent procedure, the Assembly would underline what the Commission representative has said and, along with myself and the Committee on Economic and Monetary Affairs, give the Commission the support and strength needed to proceed with this question throughout the Community.

I ask for a vote on the request for urgent procedure and for your support.

**President.** — Mr Schwörer, we cannot go back on the decision that has been taken. It is now up to the appropriate committee to determine the procedure to be used to consider this question.

#### 17. Directive on transactions in securities

**President.** — The next item is the report (Doc. 315/76) drawn up by Mr Dykes, on behalf of the Committee on Economic and Monetary Affairs, on

the proposal from the Commission of the European Communities to the Council for a directive concerning indirect taxes on transactions in securities.

I call Mr Dykes.

**Mr Dykes, rapporteur.** — Mr President, I shall be brief because a fair amount of business remains. I hope that my colleagues in Parliament will not assume that I am treating the matter with a relative lack of importance. This is, however, in the scale of things inevitably a fairly minor subject, although intrinsically fairly important.

I must declare a personal interest here. I am a member of a stock exchange in one of the Member States. It is because of that interest, apart from the other good reasons which are outlined in the document, and for external reasons, that I am a keen supporter of the document.

The Committee on Economic and Monetary Affairs very much hopes that the House will be able to approve the report, which gave rise to full considera-

tion by the Committee, at its penultimate meeting, of the draft Directive from the Commission to the Council on the harmonization of indirect taxes on transactions in securities. This may seem to Mr Prescott and other Members a relatively minor and, indeed, esoteric matter, but it is not. We know as a result of the growth of indirect investment media throughout the Member States — and one thinks in particular of the larger countries and for example, the enormous explosion in growth of unit money trusts in France over the last 10 years — that the man or woman in the street is now an active and engaged investor, even if at one remove. To the extent that the proposals in the Directive are designed to help not the professional intermediaries — which would, of course, be an incidental effect — but the original investor of whatever size, origin or status, this must be memorably and for many other reasons a very good thing.

I congratulate the Commission on the work it has done in presenting to the Council and to Parliament a very professional and skilled Directive which will produce not only harmonization over any specific designated period — there is no period laid down for this purpose — but in due course the eventual application of these indirect taxes known most commonly under the more colloquial term of 'stamp duties'. I shall return to that because it is the subject of a specific amendment proposed by the Socialist Group.

I shall not go into the detail of the document save to say that I believe it is a step in the right direction. As I have said, it provides in due course for the harmonization — if you like, the creation — of a European stamp duty rate of a maximum of 0.6 per cent for equities or ordinary shares, and lower rates for other investment instruments, including those which are provided to investors by the national governments. These stamp duties in most of the Member States are levied both at the point of purchase and at sale at a rate of 0.3 per cent each way, or, as I have said, a maximum of 0.6 per cent. This does not of itself provide any substantial problem for most of the Member States, because their stamp duty rates are near that kind of level.

However, there is a specific problem for two of the Member States, the United Kingdom and the Republic of Ireland, for two reasons. The first is that to which I have referred, namely, the rate proposed in the document, because the United Kingdom and Ireland have tangibly higher rates of stamp duty. Secondly, there is a technical, legal and mechanistic difficulty for those two Member States, in that they levy the stamp duty once only in one single movement as a legal act involved in the registration of the titles to securities. Therefore, most of the securities traded in the United Kingdom and Ireland are not of a bearer kind. For that and other technical reasons, this presents special problems.

**Dykes**

The Commission, with its characteristic ingenuity, has proposed a derogation for the United Kingdom and Ireland to deal with that matter. Therefore, the main problem for those two Member States comes back to the first subject to which I referred, the relatively high rate. It is just one more criticism of the United Kingdom Government, for example, that it has increased the rate of stamp duty from 1 per cent to 2 per cent, which in itself is an unfair disincentive to investors. Incidentally, there is a 1 per cent rate in the United Kingdom for overseas investors, so that the illogicality of the 2 per cent rate is that much more obvious. In my view, the derogation resolves that difficulty in a very clever way.

The document is to be commended because although, as I said earlier, it is a relatively small part of the whole, it is nonetheless an important component in the total scenario of fiscal harmonization, not harmonization for its own sake. But it would be rational to consider, as soon as may be over coming years, a European stamp duty rate, the avoidance of double taxation, for which there is specific provision in the relevant articles in the Directive, and the removal of disincentives and, indeed, of anomalies. In the old days of King George III or King George IV, Britain was obviously highly dependent on stamp duties and suchlike to raise revenue. Nowadays stamp duties comprise a relatively tiny proportion of the total revenue.

While I would not be careless with any part of the public finances, I hope that members of the Socialist Group will agree — for their own good reasons — that this matter should be dealt with, despite the relatively small and insignificant loss of revenue involved. I think I am right in saying that, taking a yield approximately of the order of £100 million currently accruing to the United Kingdom Exchequer from stamp duties levied on securities — I am not referring to other kinds of stamp duty in Britain — the effect of reducing the rate eventually to the European level of 0.6 per cent would be of the order of a net loss of £70 million, except that it is difficult to be precise because we do not know what the proportion of overseas investors in United Kingdom securities will be in the future. If sterling continues on its downward path, presumably that proportion will eventually disappear.

Be that as it may, I ask the House on behalf of the Committee on Economic and Monetary Affairs to adopt this document and to give the Commission the opportunity to press ahead with this matter. Perhaps the Commissioner will be able to say what kind of period the Commission now envisages for the further progress of this directive.

**President.** — I call Lord Gordon Walker to speak on behalf of the Socialist Group.

**Lord Gordon Walker** — I should like to move the amendment that has been tabled by the Socialist

Group to omit paragraph 3 from the motion for a resolution. Mr Dykes estimated a cost that was not very considerable; he mentioned a figure of £70 million. I understand that the calculation of the Commission, which is likely to be a little more impartial than that of Mr Dykes, is about £300 million to £400 million.

The argument that the low yield of a particular tax in comparison with the total revenue of a State is a justification for abolishing the tax could be applied to almost any tax that one can think of. To take them individually and consider each one as a proportion of the total tax revenue is a dangerous argument. It could be extended by analogy to almost the entire revenue of the state.

I am aware that there is a derogation for the United Kingdom; and we are very grateful for that. We object to the statement in paragraph 3 in the motion for a resolution that the ultimate objective is to abolish this tax. It is not wrong to say that it is proper to tax capital more highly than individuals. One certainly should not remove a tax from capital, for one would then have to replace it by a tax on individuals. However small the revenue yield, one cannot just lose revenue without putting a tax somewhere else.

As to harmonization as an aim, I am certainly not against that. Of course that is a proper aim, but it seems to me to be odd that the aim of harmonization is always to reduce taxes. Surely it is just as much a form of harmonization to bring lower taxes on capital, where they exist, and where they are desirable, up to a higher level. Harmonization does not necessarily mean always reducing a tax to the lowest level that can be found in the Community.

For these reasons, the Socialist Group would like to see paragraph 3 of the motion for a resolution deleted.

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

**Mr Artzinger.** — (*D*) Mr President, ladies and gentlemen, as spokesman for the Christian-Democratic Group I should first like to thank the rapporteur most sincerely. He has presented a difficult subject extremely clearly and concisely and we agree with his conclusions.

I did not intend to take part in this discussion but my honourable colleague, Lord Gordon Walker has provoked me to do so.

In fact I am of the opinion that these taxes on capital movements should be abolished, since they impede the unification of the European capital market. Even if we harmonize the taxes — we hope that this will be achieved in the foreseeable future and perhaps the Commission can say something about this — the burden presented by capital transactions still prevents the setting up of a large, evolving European capital market.

**Artzinger**

I do not think that the revenue from taxes on capital transactions is so significant as to prevent us from abolishing those taxes. Forgive me, but I am more inclined to detect an ideological basis to your motion: it is only wicked capitalists who have capital and to tax them is a task well-pleasing to God.

I do not believe that one can argue like this. In my country, for example, 600 000 workers own so-called employees' shares. We are trying to make shares available as investments for the ordinary man. I hope that we shall succeed.

The tax on capital transactions therefore affects not only the 'wicked capitalists' but also your voters, who, by the way, are my voters too. I therefore feel that one cannot argue in this, to my mind, oblique manner: who does the tax affect?

I believe that one should bear in mind the aim of unifying the capital market and support the aim of abolishing these taxes on capital transactions.

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

**Mr Meintz.** — (*F*) Mr President, as you will recall, the Liberal and Allies Group some months ago initiated a wide-ranging debate in this Assembly on giving a new impetus to tax harmonization in the Community. The Assembly then adopted at its investigation a resolution stressing in particular the need to consider such harmonization as an essential aspect of Community activity, since it aimed at establishing the tax conditions necessary for economic and monetary union.

The proposal for a directive submitted to us today forms part of this programme, and it is our duty to support it in so far as the final objective is to abolish the final barriers to the free movement of capital between the Member States and, in so doing, to contribute towards the gradual setting up of a European capital market.

We are particularly in favour of any measure which leads towards the attainment of a common fiscal policy which will enable capital to be moved solely according to conventional financial considerations and not on the basis of fiscal disparity.

We should like to mention here certain aspects of this directive which lead us to state that the means utilized are not entirely appropriate to these ends.

Whereas the measures relating to indirect taxation on capital formation, adopted by the Council in 1969 and 1973, envisaged the removal of stamp duty and the levy of a capital duty at a standard rate throughout the Member States, this new proposal on indirect taxation on transactions in securities, submitted here as a

supplementary stage, modestly envisages now nothing more than the fixing of a uniform ambit, the reduction of dual taxation and the fixing of maximum rates. Therefore, not only does it not envisage the abolition of these taxes but it also prepares only imperfectly for this since its aim is not a total harmonization of structures and rates.

Now, it seems to us that a bolder proposal would have been possible here, especially since — as the Commission recognizes — the yield from these taxes is low compared with the total tax yield in the Member States. For example, it represents 0.14 % in France and Denmark, 0.1 % in Belgium and Germany, as little as 0.04 % in the Netherlands and it does not exist at all in Luxembourg. In fact, only the United Kingdom and Ireland collect a more substantial yield of 0.5 % by applying a rate of duty of 2 %.

Thus preference has been given to fixing maximum rates, with no possibility of derogation, which would only be of any significance in those two Member States.

We believe that the abolition of these taxes, which impose on savings and hinder investment, would doubtlessly have been more desirable, with temporary derogations for the United Kingdom and Ireland. The Council and Commission will perhaps be able to give us their views on this and indicate what chance we have of seeing such a proposal adopted in the future.

Apart from this, we shall vote for the motion for a resolution.

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

**Mr Liogier.** — (*F*) Mr President, honourable Members, tax harmonization has always been one of the European Community's weak points. Its efforts in this field have rarely amounted to more than good intentions, with which, the proverb tells us, the road to hell is paved.

It is clear that the prospects for tax harmonization within the Community are closely bound up — this is hardly encouraging, we must admit — with those for the attainment of Economic and Monetary Union.

The world economic crises of the last few years has unfortunately created a scarcely favourable climate for joint action by the Nine on tax matters. On the contrary, the pressures exerted on the economies of the Nine since have caused governments to hesitate even more before transferring control of their financial resources.

And yet, indirect taxation on transactions in securities, which is behind the Commission's proposal, hinders the efficient administration of the securities' market. European integration is indeed inconceivable without corresponding integration of the capital markets. Such

**Liogier**

integration would already be much further advanced if it did not come up against numerous administrative and, in particular, fiscal obstacles.

It is therefore desirable, as Mr Dykes' excellent report emphasizes, to abolish this disparate tax. It is self-evident that economic circles will share this opinion. But the Commission feels that this is a future objective which, if introduced immediately, might possibly lead to certain problems pertaining to revenue from taxation in certain countries. It is impossible not to be astonished by this argument. In fact, if the Member States adopted the system of tax credit, proposed moreover by the Community authorities, it would cause them to lose revenue on an even larger scale.

The Commission's proposal aims at eliminating dual taxation and discrimination through a uniform levy on transactions in securities.

Nevertheless, most of the provisions in force in the various Member States seem able to exist by means of numerous derogations from the basic principles, so one must ask if the term 'harmonization' is really adequate.

The proposal submitted by the Commission does not envisage a strict uniformity of provisions, but leaves to the various Member States the choice of retaining, within the framework of the harmonization measures, different national regulations which could well give rise to some odd distortions.

For example, Article 1 limits the effects of the directive to those Member States which impose a tax on transactions in securities and submits these transactions to the system defined in the subsequent Articles. Now, the definition of the word 'securities' appearing in the Annex contains an obligatory and an 'optional' list; the latter includes in particular shares in private limited companies (s.à.r.l.). The optional nature of the second list means that Member States are completely free not to apply the text to the transfer of the shares involved and to submit these transfers to a rate higher than that laid down in Article 8. Quite considerable distortions could result from this, depending on the legislation involved.

On the other hand, certain features seem excellent. For instance, there is a lot to be said for the Commission's proposed solution whereby the fiscal duty is shared between the transferor and the transferee. In the case of international transfers it will simplify the division of fiscal authority between the Member States involved.

In the field of the provisions for tax exemption, exemptions already in existence and not referred to in paragraph 1 may continue. Nevertheless, it is difficult to understand why the new exemptions should be subject to the at least tacit consent of the Commission; this seems to us to be contrary to the principle of the very flexible harmonization envisaged.

We are of course all aware that the proposed directive only constitutes an intermediate stage in the setting up of a real common capital market. Nevertheless, the Commission must do all in its power to progress beyond this stage as soon as possible so that we may arrive at the final goal, which is economic, financial and fiscal integration.

**President.** — I call Mr Prescott.

**Mr Prescott.** — I do not propose to read a speech. Members should learn to make speeches, not to give lectures.

*(Applause)*

I have been provoked to rise to my feet by my colleague Mr Artzinger, who also was provoked by my colleague Lord Gordon Walker. Mr Artzinger questioned the Socialists' intention.

The issue we are discussing can be likened to a casino in which all the bookies, of which Mr Dykes is one, make money but do not earn it. We are concerned about the principle of the method by which taxation is levied. The tax levied on capital rather than labour is heavier in one country than in another, but we do not think it right to tax more heavily those who earn money rather than those who make money. That is a political judgment for each individual state. If that principle were accepted, the taxation in all countries on transactions in securities would be raised to 2 per cent. The income raised by taxation in all countries is a matter of political judgment and political attitudes. The differences which have arisen in the debate reflect that important principle.

We do not feel that it is justifiable to move towards harmonization by the method suggested in Mr Dykes's resolution on the Commission's proposals. We should like to delete para. 3. Mr Dykes says that the abolition of these taxes must remain the ultimate aim. We were told in the Committee on Economic and Monetary Affairs by the Commission that the loss in revenue to the British would be about £300 million. I take the Commission's words, not those of the bookie from the casino. If the argument is that we need to do that to provide more efficient management at the casino, I am far from convinced. The argument put forward by Mr Artzinger and Mr Dykes is that the money is needed for investment, but they know as well as I that the investment that comes from shares leading to employment and the production of wealth is very limited.

The case has not been made that the giant casino is the powerhouse for the provision of investment in our economies, particularly in Britain. I deplore paragraphs 1, 2, 3 and 4 of Mr Dykes's resolution, but the Socialist Group is asking only for the deletion of paragraph 3. We do not agree with the removal of the

**Prescott**

taxes. The implication is that we should have to cut public expenditure even more or transfer liability for taxes from the people who make money to those who earn it. We are against that in principle. I therefore oppose the resolution.

**President.** — I call Mr Guazzaroni.

**Mr Guazzaroni, member of the Commission.** — (I) Mr President, I would like first of all to confirm that with this proposal for a directive the Commission is pursuing the aim of fiscal harmonization, as the prerequisite for the completely free movement of capital.

Having said this, I will try to reply briefly to the questions asked by the various speakers.

To Mr Dykes, who asked whether the Commission has laid down a deadline for the abolition of the tax, I would reply that at the present time, to take account of the budgetary requirements of the Member States, no precise deadline has yet been laid down for the abolition of the tax, although this remains the final objective.

To Lord Gordon Walker — and this replies to Mr Prescott's statements as well — I would like to say that the loss of revenue resulting from this proposal is negligible. The greater losses for the United Kingdom arise from the fact that it applies the highest tax in the Community, 2 %, compared with a maximum rate of 0.6 % laid down in the directive. But even in this case, the estimated loss to the United Kingdom does not exceed 0.3 % of overall fiscal revenue, totalling, according to the Commission's calculation, 60 to 70 million pounds sterling.

I would also like to say to Mr Prescott that Annex II to the explanatory memorandum of the directive gives the exact amount which the United Kingdom raises from this tax, 100 million pounds sterling, and not 300 million as has been said. This sum is arrived at from official figures provided by the various governments.

As regards the Question put by Mr Meintz, I would like to say that the Commission proposal is indeed a modest one. However, total harmonization would at present be inconsistent with the final aim we are proposing: that of total abolition. It should be added in this connection that at present Luxembourg does not apply this tax at all.

Finally, to Mr Liogier I would like to say that after the application of the directives there may well be, as he has justly pointed out, some distortion, although the maximum rates will reduce this possibility to a minimum.

I think I have replied to all the questions put to me.

**President.** — I call Mr Dykes.

**Mr Dykes, rapporteur.** — I did not want to speak if there was still anyone else who wished to speak. I

want merely to express my thanks to those preceding speakers who have expressed their support for the motion for a resolution — particularly Mr Artzinger, Mr Meintz and Mr Liogier, who is not here now but who reads very well.

*(Laughter from the left)*

I thank the Commissioner warmly for his words, but I wish to express regret that he was not more specific on a timetable. I understand his difficulties.

I thank you, Mr President, for presiding over this session and I particularly approve of your sagacity in being, first, a Luxembourger and, secondly, a person who does not pay stamp duty.

*(Laughter)*

My final word is reserved inevitably for Lord Gordon Walker and Mr Prescott. From Mr Prescott we expect these things, but what a disappointment Lord Gordon Walker was. In any case, he said that he was making his last speech yesterday.

*(Laughter)*

This is not in any way to be compared with the taxes levied on earned and unearned income; those account for very sizeable amounts of revenue. This is a tiny item, but it is, paradoxically, a disincentive to the man and woman in the street who should be encouraged to become investors in industries in their own home states. We see the philosophy of envy emerging from the fisherman from Hull time and time again — the envy that is encapsulated in the comparison between Germany and Britain, for example, where the so-called docile German worker, as a result of years of unremitting docility, is twice as well off and has an average industrial wage which is twice as big as that of his militant British counterpart, whose militancy has been fuelled by myopic trade union leaders and equally myopic members of the left wing of the Labour Party.

The same philosophy expressed itself in the amendment. It seems to me to be a matter of great regret that, not only prior to his retirement from this House, but as a distinguished Member of it, Lord Gordon-Walker aids and abets this trivial conspiracy to diminish the rights of the ordinary investor. Remember, the wealthy investor can easily pay stamp duty; it is the ordinary investor who is penalized. Incidentally, Mr Prescott, there is already value-added tax on stocks and shares, so there is another tax.

I hope, therefore, that the Socialists — because they often have the opportunity to reconsider things and because they are possessed of a substantial amount of wisdom, despite the words of Mr Prescott — will reconsider the amendment and not press it.

**President.** — We shall now consider the motion for a resolution.

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 the Socialist Group calling for the deletion of this paragraph.

I put this amendment 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 paragraphs 3 and 4 to the vote.

Paragraphs 3 and 4 are adopted.

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

The resolution is adopted.

#### 18. *Directive on taxes affecting the consumption of tobacco*

**President.** — The next item is the report (Doc. 316/76) drawn up by Mr Artzinger, on behalf of the Committee on Economic and Monetary Affairs on

the proposal from the Commission of the European Communities to the Council for a directive (sixth directive) amending directive 72/464/EEC on taxes other than turnover taxes which affect the consumption of manufactured tobacco.

I call Mr Artzinger.

**Mr Artzinger, rapporteur.** — (D) Mr President, compared with its long title, the content of this directive is insignificant: it simply involves the extension of a deadline. We have already passed a directive on the first stage in the harmonization of taxes on tobacco, which expired on 30 June 1975. This deadline has been continually extended and it is now proposed to extend it until 31 December 1977. We cannot avoid this extension, however much we may regret it. Nevertheless, we should not tolerate a situation in which there is no legislation at all. The Committee on Economic and Monetary Affairs therefore recommends this Assembly to approve the extension requested by the Commission.

We cannot totally concur with the explanation given by the Commission for the extension of the deadline, i.e. that Parliament has procrastinated in giving its opinion. That is correct, in so far as a few days can be considered procrastination. Far more significant however, was the fact that the experts from the Member States have not yet managed to deal with the Commission's new proposal. We have therefore mentioned this in point 1 of our motion for a resolu-

tion. For the rest we approve this directive and ask the Assembly to support our proposal.

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

**Mr Mitchell.** — This innocent-looking document relates to a matter of great interest and concern to both sides of the tobacco industry — employers and trade unions — in Great Britain. It is one of these marvellous proposals that we continue to get for harmonization for harmonization's sake. It is part of a proposal for taxes on tobacco which was decided originally just before Great Britain and Ireland joined the Community. The Commission's proposals for harmonization will have a considerable effect on the industry, including the danger of a complete changeover of production and production methods, with threats to employment in the industry.

Great Britain and Ireland have a peculiarity which is not shared by the other EEC countries. We have something called the small cigarette. Forty per cent of the British production of cigarettes is of the smaller type of cigarette.

This applies also in Ireland but to a lesser extent. It is a tradition in our country.

Up to now the method of taxation in Britain has been very largely on the basis of the amount of tobacco in the cigarette. So the larger cigarette — the king size or the standard — pays a greater tax than the smaller cigarette. The new proposals outlined by the Commission are to change this system of taxation to a joint system of a specific tax which is a tax of so much on each cigarette irrespective of size, combined with an *ad valorem* tax related to retail price.

The effect of this system if introduced into the United Kingdom will be to raise the price of the smaller cigarette to such an extent that the entire production of that cigarette could be threatened. It will narrow the gap substantially between what is paid for the smaller cigarette and what is paid for the standard-size or king-size cigarette.

It is well known in Britain that the smaller cigarettes are those smoked by the lower income groups — pensioners and people who can afford to spend less money on cigarettes.

We listened to Mr Artzinger's debate recently when he called for a reduction in the tax on certain capital things in Mr Dykes's resolution. He is now calling for an increase in tax which bears directly on the lower income groups in Great Britain. That is what he is doing. It is generally estimated that there will have to be a substantial increase in the price of smaller cigarettes. Therefore, while I accept that not very much can be done at this stage, I also accept that paragraph 1 of the resolution calls for a six month's delay on the

**Mitchell**

harmonization. I do not think that paragraph 2, which tries to restore the six months in the second stage of harmonization, is at all a good thing. If this has to come — and I still hope that it will not — the longest possible period should be given before harmonization to allow the industry, taking into consideration employment and everything else that is involved, to re-adjust to the new situation.

I therefore ask Parliament to support paragraph 1 but to reject paragraph 2 of the motion.

**President.** — I call Mrs Dunwoody.

**Mrs Dunwoody.** — I hope the House will reject the report in its entirety. My reasons are simple. Deaths from carcinoma of the lung and other forms of carcinoma are increasing in Europe, by 10 000 a year in one country alone. For this so-called Parliament seriously to put forward a proposal at such a time without once considering its social implications is to me absolutely incredible. It is being suggested that in those countries which already have a differentiation in taxes, the taxes will be changed in the way described by my honourable friend, with the result that people will be moved from smoking smaller amounts of tobacco to smoking larger amounts of tobacco, irrespective of the effect upon their health.

I am absolutely appalled that this Community gives support to the growing of tobacco. I suppose we should be grateful that it does not give financial support to the growing of hashish. But for a report of this kind not even to mention the effect of this kind of phoney harmonization is absolutely extraordinary.

I have made my views about the very real risks of tobacco known in the Committee on Agriculture. I consider that any group of politicians prepared simply to kook at harmonization without considering what it is proposing in real terms is failing in its responsibilities to every human being inside the Community.

I hope Parliament will reject this ridiculous suggestion. It is not defensible. It will do the very opposite of protecting the interests of the people concerned, either in the industry, or socially.

I do not care how high the taxes on tobacco are. I would be quite happy if every country in the Community taxed tobacco almost out of existence. It is not only in smoking but also in the taking of snuff that health is endangered. Before anybody tells me that what I have said is authoritarian, may I say that there is a very great difference between allowing people the choice of what they smoke and actually aiding them by fiscal measures to smoke a great deal more. That is what we are discussing in this debate.

I therefore hope that this very absurd report will be thrown out. Since the Assembly seems to be in danger of becoming entirely Anglo-Saxon — which would not necessarily be bad — perhaps the Members

concerned will now join me in voting against the Artzinger report.

*(Laughter)*

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

**Mr Dykes.** — I do not wish to detain the House long, but Mrs Dunwoody provokes one or two thoughts. I had intended to speak very briefly on behalf of the Conservative Group in any case.

The Conservative Group supports in broad outline, and more than that, the Artzinger Report and the motion for a resolution.

We too have reservations, which were skilfully described by Mr Mitchell on behalf of the Socialist Group. Once again, I regret to have to say that there is a specific United Kingdom effect from this kind of thing. Other people in the European Parliament will be justified in thinking that the Anglo-Saxons are becoming increasingly neurotic. It is increasingly true that the small cigarette is a feature in the United Kingdom and, I think to a lesser extent, in Ireland. Therefore, there is a considerable problem.

Representatives of the various political groups therefore require the Commission to give some kind of putative provisional reassurance on the mixture of the specific element in the tax and the *ad valorem* element in the tax, which will not produce the adverse incidence on small cigarettes to which Mr Mitchell referred.

As to Mrs Dunwoody's point, yes, all very well — I myself gave up smoking cigarettes nearly a year ago. I now smoke an occasional cigar when I can afford it. But moral judgments on matters like this can indeed cause a great deal of public anxiety. I am mindful of the dangers which I think are pragmatically accepted by many people, but there are also dangers from other human habits which may be of equal import. However, the hapless cigarette smoker, particularly in the United Kingdom — but this is applying more and more now in France and Germany, for example — is now being brainwashed psychologically into believing not only that he or she is wicked and immoral and, indeed, should be excluded from the Church as a result of this dangerous habit, but is also in danger of his or her life. The evidence for this varies. Medical opinion is not united on the matter. There seems to be a quirk effect, for example, in the incidence of lung cancer, suggesting that it can be caused by a combination of factors other than the exclusive one of smoking cigarettes, and perhaps pipes and cigars to a lesser extent. I therefore urge responsible Members — as Mrs Dunwoody undoubtedly is — to be careful about this matter.

**Dykes**

Incidentally, the total immorality of the extreme position against smoking cigarettes must have been exposed in what the British Chancellor of the Exchequer said in his Budget speech last year, namely:

'Anyone who saw the recent television programme on smoking in Britain will undoubtedly agree with me that it is a dangerous, reprehensible and awful habit. Nonetheless, I am increasing the duty on cigarettes in order that we may raise a certain amount of revenue'.

That was said in the same sentence by the Chancellor of the Exchequer. That is a political irresponsibility.

I hope that we shall approve the directive with the reservations which I expressed at the outset.

**President.** — I call Mr Guazzaroni.

**Mr Guazzaroni, Member of the Commission.** — (1) Mr President, I will try to reply to some of the questions put by the honourable Members. First of all as regards the oft-repeated question of small cigarettes and the effects on consumption in the United Kingdom, I would like to point out that the first Directive of 19 December 1972 included, at the British Government's request, a derogation for the United Kingdom and for Ireland until 31 December 1977, that is a period of five years, during which these governments felt — and still feel — that they could provide the necessary remedies to the problem of the difference in taxation for small and large cigarettes.

To Mrs Dunwoody I would like to reply that this proposal in no way changes the present situation, but simply extends it, and the obligation of the United Kingdom arises out of the first Directive. The effects on the British market of the introduction of the first Directive will depend on the measures which the British governments takes to comply with it and on the attitude of the producers.

I think this also answers the point made by Mr Mitchell on the possible — I repeat possible — effects on small cigarettes, in as much as these were already known in 1972 when the five-year derogation was asked for and obtained.

**President.** — We shall now consider the motion for a resolution.

If I understood Mr Mitchell correctly, he wished a separate vote to be taken on paragraph 2.

I therefore put the preamble and paragraph 1 of the motion for a resolution to the vote.

The preamble and paragraph 1 are adopted.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

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

The resolution is adopted.

**19. Programme for the rational use of energy**

**President.** — The next item is the report (Doc 314/76) drawn up by Mr Ellis, on behalf of the Committee on Energy and Research, on

the first periodical report of the Commission of the European Communities to the Council on the Community action programme for the rational use of energy and draft recommendations of the Council.

I call Mr Ellis.

**Mr Ellis, rapporteur** — This debate and the report I have the privilege of presenting on behalf of the Committee on Energy and Research are examples of shutting the stable door after the horse has bolted. The Commission's first periodic report on the rational use of energy, accompanied by certain recommendations, had already been discussed and accepted by the Council before the Committee on Energy and Research and Parliament had the opportunity to discuss them. I should like to register on behalf of the committee — and Parliament — the strongest possible protest. Members have previously spoken about Parliament's desire to become an effective in in the decision-making process. Here, apparently, we have an *ex post facto* consultative status at the tail end of the parliamentary week.

I feel extremely frustrated that the subject should be debated at this time.

(Applause)

We cannot possibly do justice to one of the most important issues now facing the Community. This week we have had important debates on fishing, on fundamental rights and on many other matter, but not one of those subjects is as important as is this issue, and not one of them is any more immediate than is this issue. I wish to take a brief period not to start a debate on the report but to spell out some of the facts on energy and to give a brief summary of the facts on energy and to give a brief summary of the report. I should like to congratulate Mr Simonet, the Commissioner who is responsible, for the energy and forthrightness with which he has tried to convey to the people of the Community and the Council the urgency of the formulation of an energy policy. The Commission pointed out that in 1976 the GDP of the Community will increase by about 4½ per cent compared with last year. During that year our internal primary energy consumption of petroleum fuels will increase by 6 per cent. Last spring the Commission forecast that, on the assumption of a growth in GNP of 3 per cent during the year, consumption would be about 900 million tonnes of oil equivalent primary energy in the Community, and about 484 million tonnes of oil products. That is to say, the expected growth rates of primary energy and petroleum



Ellis

products for the year was forecast at about 3 per cent and 1.8 per cent. In the event, the growth rates turned out to be about 5 per cent and 6 per cent. Therefore, we can virtually already say goodbye to the target figure for 1985 of a 50 per cent independence of imported petroleum products. That includes every drop of oil in the North Sea.

I support the Commission in its request to the Council to hold a general debate on the pressing problems of energy policy. If that debate were held it would take place against the background of a softening-up process for an oil price increase at the next OPEC meeting in December. That softening-up process has already begun. The signs seem to be set for a price rise of at least 15 per cent. No one knows the figure. My guess is 15 per cent. It might be 10 per cent or 20 per cent, but a major price increase will come as a result of the next OPEC meeting. Whether or not we agree with that, we can all say with some certainty that the international politics of oil is simmering away and will shortly boil up once again into a critical state.

I give that introduction in the hope that I have conveyed to the House the urgency and importance of this matter, of which no one in the Council — one might almost say in the Community, except for a few dedicated people in the Committee on Energy and Research — seems to be aware.

Coming directly to the report, the rational use of energy must be a major feature of any energy policy. The potential savings from a rational use of energy are enormous. I was intrigued to read recently in a serious British newspaper that if all the people who had been engaged in nuclear research since the war had been trained to thatch houses with straw the net result would have been greater in terms of energy saving than all the energy produced by nuclear power. I do not know whether that is soundly based. But, as I say, it appeared in a serious paper, and therefore the role of conservation in the energy field must clearly be a very important one. This report, which deals with the first periodic report on the rational use of energy by the Commission, discusses that Commission report. The Commission document consists of the report itself and five recommendations in a number of fields such as the thermal insulation of buildings the saving of energy, road transport, and so on and a number of annexes containing reports of working groups set up to various technical points.

In the report, the Commission makes clear that in September 1975 — about two years after the onset of the oil crisis — of the proposals that had been made towards the rational use of energy, nearly one-third were still to be adopted, and that of those that had been, 40 per cent were concerned simply with exhortation; that is to say, publicity, the dissemination of

information and so on. We can see that little progress is being made.

Reading the Commission's report, one sees that three broad features emerge. First, the emphasis in each of the member countries has been on a pragmatic and *ad hoc* diversification approach, consistent with a lack of clear and decisive central direction.

The second feature is that the price mechanism, to a limited extent and largely as an involuntary consequence of external trends rather than as a positive measure of itself, has been used to encourage a more rational use of energy.

Thirdly, the greatest effort that has been made so far has been in the dissemination of information — the business of exhorting people to do the right thing. It is clear that very little has been done to restructure the pattern of energy consumption. The report expresses the fear, which is shared by my committee and myself, that a quickening in economic growth may lead to a disproportionate growth in energy consumption per unit of gross domestic product. This fear is undoubtedly already beginning to be realized.

A number of other matters appear in the Commission's document — matters that I should have liked to spend some time on but, as I said at the start, it is hopeless even to start discussing them. I leave it at that.

I would just comment that I am disappointed at the fact that the Commission's recommendations to the Council, are so innocuous. One or two are so trite that I really believe that they have been put in only to make the numbers up. They talk about technical difficulties. There may well be all kinds of technical difficulties, but the recommendations could have been put in by my little girl, without any reference to difficulties, because they are blatant platitudes. I feel that that is a particularly disappointing part of the report.

Lastly, I urge the Parliament — at least that part which is present at this late stage — to consider seriously the role of the Council, the Commission and the Parliament in an energy policy. In its resolution of September 1974 the Council spoke of progress towards the Community objective. The presupposition was that an energy policy a legitimate part of Community affairs — that the Community should have an energy policy of its own.

I have tried to show how important this issue is and how strongly my committee and I feel about the fact that we are having to have this issue discussed at this time. I hope that at least in due course we can have a considerable discussion on a very serious matter.

**President.** — I shall take note of your statements, Mr Ellis.

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

**Mr Osborn.** — Obviously my group wanted me to say quite a lot on this important subject, but the hour is late. I endorse everything that Mr Ellis said about it being very unfortunate that you, representing the President and the Bureau, should somehow regard this subject as so unimportant that it comes on at the end of a busy week. This issue could be as desperate as the more immediate ones like food and fishing with which we have dealt this week. If we do not tackle this problem with ingenuity, with vision and with energy, all of us will be cold within a decade or two and we will not have solved the most vital problem of keeping ourselves warm in our homes and propelling our transportation.

I put to the Commission that, although individual States passed regulations limiting and reducing office and factory temperatures, there are still many people in the world who expect to live in the winter in buildings that are far too warm and we have benefited in the past twenty or thirty years from having an excess of cheap energy.

I share Mr Ellis's views. The Commission is only touching the real issues in energy conservation. I congratulate Mr Ellis on the way he presented his report. In committee, where he took note of the amendments and advice given to him, he also referred to the concern of Commissioner Simonet and the fact that we are still using as much energy from outside sources as was the case two or three years ago.

I understand that the Commission has sent a letter to the Council of Ministers dealing with these issues. I greatly hope that Parliament and the Committee on Energy and Research will be made aware of the contents of that letter.

So far, the report has to some extent looked back on what has been achieved. We must look forward to what more remains to be done. On the wider energy issues we must obviously tackle nuclear energy. We must also tackle the need to use our own indigenous resources much better, perhaps developing the use of coal.

There are two suggestions that must be considered. First, we found when we went to Ispra that in many of our homes the standard of insulation systems, whether for heating or for hot water was still utterly inadequate. We were dealing with the question of the added value of heat from solar sources to a traditional system, but in most homes hot water in the cistern in the evening means cold water in the morning because of poor insulation. These simple examples show that much development needs to be done and that there is room for tighter specifications. I suggest, for instance, that the installation of equipment to save heat by better insulation and other means should be free of tax, particularly VAT. Secondly, the oil-fired power stations should be on stand-by for peak demand and the costs of mothballing should be borne essentially

either nationally or within the Community. I greatly hope that the Commission, having gone so far, will look forward, take member governments with them, and ensure that we are aware of the urgency of depending to too great an extent on outside sources of energy, particularly oil.

**President.** — I call Mr Guazzaroni.

**Mr Guazzaroni, Member of the Commission.** — (1) Mr President, the Commission wishes first of all to pay tribute to the European Parliament's decision to debate the first periodical report on the programme for the rational use of energy and the draft recommendations of the Council. The Commission particularly welcomes this since at this moment it is just completing its second periodical report on the rational use of energy, as requested by the Council in its resolution of 17 December 1974.

This initiative by the European Parliament, which demonstrates its interest in energy problems — an interest that has just been eloquently reaffirmed by Mr Ellis — cannot but help the future discussion of the second report by the Council, and make ministers of the Member States face up to their responsibilities in this important sector.

As Mr Ellis rightly points out in his report, the Commission document at present before the European Parliament was drawn up in the second half of 1975; consequently, some of the comments and criticisms in the resolution can be clarified or removed from the second periodical report and its proposals for legislation which also include directives.

As regards the European Parliament's resolution, the Commission would like to make the following clarifications:

- in point 2, on 'the absence of a comprehensive Community strategy for the rational use of energy', not only has the Council approved a 'Community objective' for reducing energy consumption by 1985, but it has also given its agreement on the methods to be followed and the means to be used. Naturally the implementation of this programme requires time, since it is aimed at changing the whole structure of energy consumption; but the Commission undertakes through periodic checks to make that it progresses as quickly as possible.
- on point 4, on the industrial on the industrial sector, an important sector, but one which is extremely vast and complicated, the Commission is preparing draft provisions on the following:
- the appointment of someone with responsibility for energy in each firm, with responsibility for drawing up an annual report on consumption;
- the laying down of objectives in each sector for reducing industrial energy consumption;

**Guazzaroni**

- the distribution of information on innovations to those responsible for energy at national and Community level.
- on point 6, on statistical information on the main energy consuming sector, the second report takes stock both of the work of the Statistical Office of the European Communities and the results expected from the census of energy consumption by industrial enterprises (recommendation for industry, calorie production statistics, questionnaire on consumption by refineries.)
- on points 7 and 8, it was previously stated that the Commission was preparing directives. The Commission continues to base its Community action programme on the Treaties, especially as regards measures which might harm the free movement of goods, or which might distort or limit competition between undertakings. As regards the economic justification of the measures, the Commission is for the time being making its decisions on the basis of the priorities presented to and approved by the Council, which in turn are based on the criterion of rapid absorption of the costs of achieving energy reductions by the savings resulting from these reductions.
- Finally, the Commission wishes to confirm its intention of presenting to the European Parliament the second periodical report on the programme for the rational use of energy when it has been adopted, that is towards the end of the year. In this way it will inform the European Parliament at the appropriate time of the progress of its work in this sector.

**President.** — As no one else wishes to speak, I put the motion for a resolution to the vote. The resolution is adopted.

*20. Decision on the international carriage of perishable foodstuffs*

**President.** — The next item is a vote without debate on the motion for a resolution contained in the report (Doc. 338/76) drawn up by Mr Osborn, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on

the proposal from the Commission of the European Communities to the Council for a decision concerning the entry into force of the agreement on the international carriage of perishable foodstuffs and on the special equipment to be used for such carriage.

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

The resolution is adopted.

*21. Regulation on trade in goods processed from agricultural products*

**President.** — The next item is a vote without debate on the motion for a resolution contained in the report (Doc. 346/76) drawn up by Mr Hughes, on behalf of the Committee on Agriculture, on

the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 1059/69 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products.

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

The resolution is adopted.

*22. Regulation on the storage of products bought in by an intervention agency*

**President.** — The next item is a vote without debate on the motion for a resolution contained in the report (Doc. 347/76) drawn up by Mr Frehsee on behalf of the Committee on Agriculture on

the proposal from the Commission of the European Communities to the Council for a regulation on the storage of products bought in by an intervention agency.

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

The resolution is adopted.

*23. Dates and agenda of the next part-session*

**President.** — There are no other items on the agenda. I thank the representatives of the Council and the Commission for their contributions to our proceedings.

The enlarged Bureau proposes that our next sittings be held at Luxembourg from 25 to 27 October 1976.

Are there any objections?

That is agreed.

At its meeting of 30 September 1976 the enlarged Bureau drew up the following agenda for the next part-session, which I must now submit to Parliament for its approval.

*Monday, 25 October 1976, 4.00 p.m.*

— Introduction and discussion of the Bruce report on the draft general budget of the Communities for 1977

— Introduction and discussion of the Flesch report on the estimates of Parliament for 1977

— Introduction and discussion of the Flesch report on sections II and IV of the draft general budget of the Communities for 1977.

**President**

*Tuesday, 26 October 1976, 11.00 a.m. to 1.00 p.m. and 2.30 p.m. to 5.30 p.m.*

— Continuation of budget debate

*Wednesday, 27 October 1976, 11.00 a.m. to 1.00 p.m.*

— Continuation and conclusion of budget debate

*At 3.00 p.m.*

— Vote on the motion for a resolution contained in the Flesch report on the estimates of Parliament for 1977

— Vote on the motion for a resolution contained in the Flesch report on sections II and IV of the draft general budget of the Communities for 1977

— Vote on the draft general budget of the Communities for 1977 and on the motion for a resolution contained in the Bruce report

— Vote on the motions for resolutions contained in the Hamilton and Martens reports on the amendment of the Rules of Procedure of Parliament.

I would remind members that the time limit for tabling draft amendments, proposed modifications and proposals for outright rejection has been set at 12 noon on Tuesday, 26 October 1976.

Are there any objections?

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Since the amendments can be deposited up to Tuesday, 26 October at noon, can we be certain that the groups will have the translation in their languages in order to discuss them before the voting next morning?

**President.** — The translations can be provided.

Are there any further comments?

The order of business for the next part-session is agreed.

#### *24. Organization of the debate on the budget*

**President.** — At its meeting of Wednesday, 13 October 1976 the enlarged Bureau decided, pursuant to Rule 28 of the Rules of Procedure, that speaking-

time in the debate on the budget would be allocated as follows:

Council and Commission	120 minutes
General Rapporteur	60 minutes
Rapporteur on Parliament's budget	20 minutes
Draftsmen of opinions	70 minutes
Socialist Group	2 ¼ hours
Christian-Democratic Group	1 ¾ hours
Liberal and Allies Group	1 hour
European Conservative Group	¾ hour
Communist and Allies Group	¾ hour
Non-attached Members	¼ hour

The speaking time allocated will also have to be used for introducing draft amendments and proposed modifications.

During the vote, only the rapporteur will be allowed to speak in order to state briefly the views of the Committee on Budgets.

For adoption, proposed modifications must receive a majority of the votes cast and draft amendments must receive the votes of a majority of the Members of Parliament. On the basis of the current membership of the House, this means that they must receive at least 100 votes in favour.

#### *25. Adjournment of the session*

**President.** — I declare the session of the European Parliament adjourned.

#### *26. Approval of the minutes*

**President.** — Rule 17 (2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of this sitting, which were written during the debates.

Are there any comments?

The minutes of proceedings are approved.

The sitting is closed.

*(The sitting was closed at 12.40 p.m.)*