

Annex

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NOTE TO READER

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

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IN THE CHAIR: MR COLOMBO

President

(The sitting was opened at 5.00 pm)

President. — The sitting is open.

1. *Resumption of the Session*

President. — I declare resumed the session of the European Parliament adjourned on 22 April 1977.

2. *Apologies*

President. — An apology for absence has been received from Mr Notenboom who regrets his inability to attend this part-session.

3. *Tribute*

President. — Ladies and gentlemen, during the night of 4-5 May Professor Ludwig Erhard died in Bonn at the age of 80.

Born on 4 February 1897, Ludwig Erhard played an active part in the political life of the Federal Republic as representative of the Christian Democrat party.

He entered the Bundestag in 1949 and on 16 October 1963 became Federal Chancellor and remained in this post, previously occupied by Konrad Adenauer, up to 1 December 1966. His name is associated with the intense economic development of modern Federal Germany through the contribution which he made by his knowledge and his administrative ability.

This Assembly had many opportunities to hear him in his capacity as President-in-Office of the Council. On behalf of Parliament, I have sent telegrams of sympathy to President Scheel and Mr Kohl.

I also have the painful duty of informing you of another sad loss.

Last week we learned of the death of another of our colleagues, Mr Spillecke, who had been a Member of our Parliament from 19 January 1977 and during this short period was a member of the Committee on the Environment, Public Health and Consumer Protection, the Committee on Energy and Research and the Committee on the Rules of Procedure and Petitions.

Born on 15 May 1924 in Homberg, Hermann Spillecke was a member of the German Socialist party from September 1965 after holding various posts in the city of Duisberg, including that of Mayor from July 1957 to November 1969. After becoming a member of the Nordrhein-Westfalen Landtag, our deceased colleague entered the Bundestag in 1965.

On behalf of Parliament, I have sent telegrams of sympathy to the family of the deceased and the Socialist Group.

In homage to the memory of these two departed statesmen, I would ask you to join in 1 minutes' silence.

(The Assembly stood to observe 1 minutes' silence.)

4. *Appointment of members*

President. On 2 May 1977 the Folketing of the Kingdom of Denmark appointed Mr Erik Holst as Member of the United Kingdom appointed Mr Geoffrey Rippon as Member of the European Parliament to replace the late Sir Peter Kirk.

The credentials of these Members will be verified after the Bureau's next meeting, on the understanding that, under Rule 3(3) of the Rules of Procedure, they will provisionally take their seats with the same rights as other Members of Parliament.

I welcome the new Members.

5. Election of the chairman of a political group

President. — The Christian-Democratic Group has elected Mr Klepsch as its new chairman.

I congratulate Mr Klepsch on his election.

(Applause)

6. Membership of committees

President. — I have received from the Group of European Progressive Democrats a request for the appointment of Mr Xavier Hunault as member of the Committee on Development on Cooperation and the appointment of Mr Michel Inchauspé as member of the Committee on the Environment, Public health and Consumer protection to replace Mr Hunault.

As there are no objections, these appointments are ratified.

7. Petitions

President. — I have received

— from Mr de Beaumont and others a petition on the threatened closure of 'Usinor' in Thionville.

— from Mr Berri a petition on the request for approval, with amendments, of the proposal for a Council Directive on the conservation of Nos

These petitions have been entered under Nos. 4/77 and 5/77 respectively in the general register provided for in Rule 48 (2) of the Rules of Procedure, and pursuant to paragraph 3 of that same rule, referred to the Committee on the Rules of Procedure and Petitions.

Petition No 17/76 on the systematic glorification of the Hitler era in the Federal Republic of Germany. No 19/76 on European minority groups. No 1/77 on a supranational stamp to commemorate direct elections. No 2/77 on the reuniting of families and No 3/77 on the European Parliament's contribution to the dissemination of information on the election of the European Parliament by direct universal suffrage, which had been referred to the Committee on the Rules of Procedure and Petitions, have, at the request of that Committee and pursuant to Rule 38 (3) of the Rules of Procedure, been referred to the Political Affairs Committee for its opinion. Petition No 18/76 on pollution in the Toul region, which had likewise been referred to the Committee, on the Rules of Procedure and Petitions, has also, at the request of that committee and pursuant to Rule 38 (3) of the Rules of Procedure, been referred to the Committee on the Environment, Public Health and Consumer Protection for its opinion.

8. Statement by the President

President. — On 5 April 1977, the representatives of the governments of the Member States decided on Luxembourg as the provisional seat for the Court of Auditors of the European Communities.

9. Documents received

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

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

1. the initial list of requests for the carry-over of appropriations from the 1976 to the 1977 financial year (non-automatic carry-overs) — (Doc. 64/77)

This document has been referred to the Committee on Budgets ;

2. the following proposals from the Commission : regulation (EEC, ECSC, EURATOM) introducing the European Unit of Account (EUA) into the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities, and into other Council Regulations applying to officials and former officials and to other servants of the Communities (Doc. 65/77)

This document has been referred to the Committee on Budgets ;

- regulation amending for the fourth time Regulation (EEC) No 1163/76 on granting of a conversion premium in the wine sector (Doc. 72/77)

This document has been referred to the Committee on Agriculture ;

- regulation amending Regulation (EEC) No 2727/75 on the common organization of the market in cereals (Doc. 73/77)

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

- regulation on the application of the provisions of Protocol No 1 to the Cooperation Agreements concluded with Algeria, Morocco and Tunisia (Doc. 81/77)

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

- regulation opening, allocating and providing for the administration of Community tariff quotas for certain wines of designation of origin, falling within subheading ex 22.05 C of the Common Customs Tariff, originating in Algeria (1977/78) — (Doc. 86/77)

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 Budgets for their opinions ;

- the amended proposal from the Commission of the European Communities to the Council in accordance with Articles 149 of the EEC Treaty and 119 of the ECSC Treaty for Title VII — Special Provisions applicable to the Research and Investment Appropriations

President

of the Council Regulation (ECSC, EEC, EURATOM) amending the Financial Regulation of 25 April 1973 applicable to the General Budget of the European Communities (Doc. 87/77)

This document has been referred to the Committee on Budgets ;

(b) from the committees, the following reports :

- Report by Mr Nyborg on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a regulation setting up a European Export Bank (Doc. 66/77) ;
- Report by Mr Martinelli on behalf of the Committee on External Economic Relations on the draft regulation of the Council of the European Communities concluding an Additional Protocol to the Agreement between the European Economic Community and the State of Israel and a Financial Protocol (Doc. 67/77) ;
- Report by Mr Notenboom 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 on the harmonization to the Council for a directive on the harmonization of provisions laid down by law, regulation or administrative action relating to the rules governing turnover tax and excise duty applicable in international travel (Doc. 68/77) ;
- Report by Mr Kaspereit on behalf of the Committee on External Economic Relations on economic and trade relations between the European Community and the People's Republic of China (Doc. 76/77) ;
- Report by Mr Laban on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a directive amending Directive 72/159/EEC on the modernization of farms (Doc. 79/77) ;
- Report by Mr Klepsch on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a regulation on the opening, allocation and administration of a Community tariff quota for certain eels falling within subheading ex 03.01 A II of the Common Customs Tariff (1 July 1977 — 30 June 1978) — (Doc. 80/77) ;
- Report by Mr Bangemann on behalf of the Legal Affairs Committee on the Conference on the Law of the Sea as it affects the European Community (Doc. 82/77) ;
- Report by Mr Shaw on behalf of the Committee on Budgets on the guidelines of the European Parliament on the budgetary and financial policy of the European Communities for 1978 (Doc. 83/77) ;
- Report by Mr Adams on behalf of the Committee on Social Affairs, Employment and Education on the communication from the Commission of the European Communities to the Council on the review of the rules governing the tasks and operation of the European Social Fund (Doc. 84/77) ;
- Report by Mr Cointat on behalf of the Committee on Budgets on the proposal from the Commission of the European Communities to the Council for a directive on the inspection by Member States of transactions forming part of the system of financing by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund (Doc. 85/77) ;
- Report by Mr Cointat on behalf of the Committee on Budgets on measures to combat fraud and irregularities relating to the common agricultural policy, with reference to the third report by the Special Committee of Enquiry on beef and veal (Doc. 88/77) ; 1
- Report by Mr Johnston on behalf of the Political Affairs Committee on the protection and defence of human rights (Doc. 89/77) ;
- Report by Mr Radoux on behalf of the Political Affairs Committee on the preparatory Conference of 15 June 1977 in Belgrade as provided for by the Final Act of the Helsinki Conference on Security and Cooperation in Europe (Doc. 90/77) ;
- Report by Mr Radoux on behalf of the Political Affairs Committee on the Mutual and Balanced Force Reduction negotiations (MBFR) — (Doc. 91/77) ;
- Report by Mr Schuijt on behalf to the Political Affairs Committee on the European Community's information policy, with particular reference to the Commission information programme in preparation for direct elections to the European Parliament (Doc. 93/77) ;
- Interim by Mr Bangemann on behalf of the Committee on Budgets on the proposal concerning the settlement of Parliament's accounts for the 1976 financial year (1 January — 31 December 1976) — (Doc. 94/77) ;
- Report by Mr Cointat on behalf of the Committee on Budgets on the proposal from the Commission of the European Communities to the Council for a regulation amending the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities (Doc. 95/77) ;
- Report by Mr Guerlin 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 directive relating to the quality requirements for waters favourable to shellfish growth (Doc. 96/77) ;
- Report by Mr Pintat on behalf of the Committee on External Economic Relations on the draft regulations of the Council of the European Communities concluding cooperation agreements between the European Economic Community and the Arab Republic of Egypt, the Hashemite Kingdom of Jordan and the Syrian Arab Republic (Doc. 99/77) ;

President

(c) the following oral question, with debate :

- by Mr Fellermaier on behalf of the Socialist Group to the Foreign Ministers meeting in political cooperation on the protection of human rights in Europe (Doc. 69/77);
- by Mrs Kruchow on behalf of the Liberal and Democratic Group to the Commission on the Community's energy policy (Doc. 74/77);
- by the Committee on Economic and Monetary Affairs to the Commission on Italian control of domestic and foreign currency in cash form (Doc. 77/77);
- by Mr Cousté on behalf of the Group of European Progressive Democrats to the Council on the Multifibre Agreement (Doc. 78/77);
- by Mr Fellermaier on behalf of the Socialist Group to the Commission on the disappearance of 200 tonnes of natural uranium (Doc. 106/77);

(d) oral questions by Mr Nyborg, Mr Leonardi, Mr Bange-
mann, Mr Krall, Mr Zywiets, Mr Hamilton, Mrs
Kruchow, Lord Bessborough, Mr Price, Mr Caillavet,
Mr Pistillo, Mr Veronesi, Mr Kavanagh, Mr Cousté, Mr
Terrenoire, Mr Früh, Mr De Clercq, Mr Brown, Sir
Brandon Rhys Williams, Mr Seefeld, Mr Evans, Mr
Normanton, Mr Cifarelli, Mr Broeksz, Mr Leonardi,
Sir Geoffrey de Freitas, Mr Hamilton, Mr Price, Mr
Cousté, Mr Pisoni, Mr De Clercq, Mr Normanton, Sir
Brandon Rhys Williams, Mr Seefeld, Mr Hougardy,
Mr Dalyell and Mrs Kruchow for Question Time on
10 and 11 May 1977 pursuant to Rule 47A of the
Rules of Procedure (Doc. 92/77);

(e) from the Commission :

- the Tenth General Report of the European Communities in 1976 : Sixth Report on Competition Policy (Doc. 70/77)

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

- the Tenth General Report of the European Communities in 1976 : Report on the Development of the Social Situation in the Communities in 1976

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

(f) from the Council :

- a letter on the decision concerning the discharge in respect of the implementation of the Budget of the European Communities for the financial year 1975 (Doc. 97/77).

This document has been referred to the Committee on Budgets.

- draft regulation of the Council of the European Communities concluding cooperation agreements between the European Economic Community and the Arab Republic of Egypt, the Hashemite Kingdom of Jordan and the Syrian Arab Republic (Doc. 98/77)

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 Agricul-

ture and the Committee on Development and Cooperation for their opinions.

10. *Texts of treaties forwarded by the Council*

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

- agreement amending the Internal Agreement on the Financing and Administration of Community aid signed on 11 July 1975 ;
- agreement in the form of an exchange of letters relating to Article 4(3) of the Interim Agreement between the European Economic Community and the Portuguese Republic and to Article 4(3) of the additional protocol ;
- agreement in the form of an exchange of letters relating to Article 3 of the Interim Agreement between the European Economic Community and the Portuguese Republic and to Article 3 of the additional protocol ;
- agreement in the form of an exchange of letters relating to Article 3 of Protocol No 8 to the Agreement between the European Economic Community and the Portuguese Republic ;
- exchange of letters between the President of the Council of the European Communities and the Plenipotentiary of the President of the Democratic Republic of Sao Tome and Principe on the advance implementation of certain provisions of the ACP-EEC Convention of Lomé ;
- agreement on the accession of the Democratic Republic of Sao Tome and Principe to the ACP-EEC Convention of Lomé ; final act ;
- exchange of letters between the President of the Council of the European Communities and the Plenipotentiary of the Head of State of Papua New Guinea on the advance implementation of certain provisions of the ACP-EEC Convention of Lomé ;
- agreement on the accession of Papua New Guinea to the ACP-EEC Convention of Lomé ; final act ;
- exchange of letters between the President of the Council of the European Communities and the Plenipotentiary of the President of the Republic of Cape Verde on the advance implementation of certain provisions of the ACP-EEC Convention of Lomé
- agreement on the accession of the Republic of Cap Verde to the ACP-EEC Convention of Lomé ; final act ;

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

11. *Authorization of reports*

President. — Pursuant to Rule 38 of the Rules of Procedure, I have authorized the Committee on Regional Policy, Regional Planning and Transport to draw up a report on the current state and the future of the common transport policy.

The Committee on Agriculture, at its own request and pursuant to Rule 38 (3) of the Rules of Procedure, has been asked for its opinion on the present state of multilateral GATT negotiations, a subject on which the Committee on External Economic Relations has been authorized to draw up a report.

12. *Order of business*

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

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

- regulation opening, allocating and providing for the administration of a Community tariff quota for fresh or dried hazelnuts, shelled or otherwise, falling within subheading ex 08.05 G of the Common Customs Tariff, originating in Turkey (Doc. 32/77)

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

Unless any Member asks in writing for leave to speak on these proposals or amendments are tabled to them before the opening of the sitting on Friday, 13 May 1977, I shall declare these proposals to be approved.

At its meeting of 21 April 1977 the enlarged Bureau authorized me to submit to Parliament, pursuant to Rule 12 of the Rules of Procedure, the draft agenda which has been distributed. The report drawn up on behalf of the Committee on Budgets on the draft supplementary and amending budget No 1 of the European Communities for the financial year 1977 was included on the agenda for Monday, but we have not yet been consulted by the Council. The report will not therefore be debated by Parliament for the moment.

This afternoon I held a meeting of the chairmen of the political groups to consider certain urgent requests for changes in the agenda.

On the basis of the conclusions reached in the course of that meeting, I propose that we include on the agenda for Wednesday, after Question Time, the statements by the President-in-Office of the Council and the President of the Commission of the European Communities on the outcome of the London summit. These statements will not be followed by a debate, since it will be possible to hold a fuller discussion, if considered desirable at a later part-session.

On behalf of the Socialist Group, Mr Fellermaier has tabled an oral question with debate to the Commission of the European Communities on the disappearance of 200 tonnes of uranium in transit from Rotterdam to Genoa (Doc. 106/77).

In accordance with an agreement reached between the chairmen of the political groups, I propose to include this oral question as part of the debate on energy problems on the agenda for Tuesday morning, on the understanding that the speaking time allocated for this debate will not be changed.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I must apologize to you, Sir, and to Mr Fellermaier and the others who were at the previous meeting, because I did not realize that at that time there was already a question on the order paper, tabled by Mr Normanton, on exactly the same subject raised by Question No 22, which is now being tabled by Mr Fellermaier on behalf of the Socialist Group.

The point at issue is quite obvious. If there is a question by an individual on the order paper for Question Time, is it right that another group should be able to lift that question and put it down as an oral question with debate in their name alone ? This is a procedure which I personally deprecate, and if I had realized what was happening I would have said so at the meeting earlier on with you, Sir, this afternoon.

Also, it is strange that Mr Fellermaier has in the past always said that matters of general interest with no particular political content should not be raised as oral questions with debate by one political group. And yet he himself is guilty of doing it now. What I therefore suggest on this point of order is that the oral question with debate should indeed be included on the Tuesday, as has been proposed, but instead of being in the name of Mr Fellermaier and the Socialist Group, since it has already been tabled by my honourable friend, it should be in his name and the name of the Conservative Group. We will link it if you wish. We will not object to Mr Fellermaier and the Socialist Group joining in with us, but I do think this business of lifting other people's questions is completely wrong.

(Protest from the Socialist Group)

President. — I call Mr Normanton.

Mr Normanton. — In view of the fact that my honourable friend, Mr Scott-Hopkins, has actually raised the point which I wished to raise as a point of procedure. I think I will leave the matter there.

President. — I call Mr Fellermaier.

Mr Fellermaier. — *(D)* With all due respect to my colleague, Mr Scott-Hopkins, I cannot understand the nervousness of the European Conservative Group. This is not the Olympic Games — we are not in a race to see who is going to be the first to ask something. The fact is that on the first day of its group meeting in Bonn last week the Socialist Group dealt with this question without being aware that another Member of this House had, in an individual capacity, tabled a similar question. My group decided to make use of this House's powers of control to ask the Commission why it had for so many years kept all knowledge of this appalling affair from the House and from the Committee on Energy, which is responsible for these matters.

Fellermaier

Furthermore, we took too serious a view of the subject to devote no more than one question in Question Time to it, and for this reason we decided to have recourse to an Oral Question with debate pursuant to Rule 47 of the Rules of Procedure. It would have been to the European Conservative Group's credit if it also had chosen this method of exercising the Parliament's powers of control. In addition, we immediately notified the Commission of the European Communities from Bonn that we had asked the President of Parliament for this debate, but that we were aware that we were actually two days short of the period of notice laid down in Rule 47 of the Rules of Procedure, and so we asked the Commission to allow us to cut this period short. While the group meeting was still going on in Bonn, the Commission notified me that it was prepared to answer these questions from our Group and thus the debate could take place. In Parliamentary practice there is no kind of copyright that can be made to stand up in a court of law, but there is no doubt, Mr Scott-Hopkins, that your group is even more subtle in this kind of argument than my group, so let us just simply say that a truce has been restored.

(Laughter)

President. — I call Mr Osborn.

Mr Osborn. — Mr President, there is something even more mysterious. I tabled a question too which is not unrelated to the factors that we have overlooked, that is President Carter's declaration and contacts with the OECD. This does not even appear to be on the order paper. When questions like this fall by the board when we are discussing these very relevant issues, I think it is reasonable to have an explanation.

President. — I call Mr Klepsch.

Mr Klepsch. — (D) Reference has been made to the discussion with the group chairmen. As far as I can see from this discussion on the Rules of Procedure, the point is that we were completely free to choose whether we would combine the Socialist Group's Oral Question with the general debate, or whether we would place it on Friday's agenda. All the members were prepared to accept one or other of these two solutions.

The problem, as I see it, is that the question tabled by Mr Osborn and Mr Normanton will probably have to be answered in the Question Time that comes after the joint debate, and thus these colleagues will naturally feel that their initiative has been fruitless, since there is no point in answering their question once again when the Commission has already given its views upon the matter. However, that is how these things happen. Had we seen in advance how the posi-

tion was, we would certainly have taken account of this in our deliberations, since nobody insisted on combing these questions with the debate. However, now that it is clearly understood that an initiative was taken on this matter by our colleagues, Mr Normanton and Mr Osborn, I feel that we should simply allow the joint debate decided upon by the group chairmen to take place. Of course, we cannot incorporate questions from Question Time into this debate, and Mr Normanton and Mr Osborn themselves will be well aware of this. I think that the only point they want to bring home to us here is that they see the difficulties that arise from the fact that this Parliament will have already discussed the matter with the Commission on the previous day. I feel therefore that we should close the discussion on the Rules of Procedure at this point and that we should abide by the decision to have a joint debate. In any case, we have only 4½ hours at our disposal, and we badly need this amount of time.

President. — I call Sir Derek Walker-Smith.

Sir Derek Walker-Smith. — Mr President, if I might just broaden out the matter from the particular to the general for a moment, the question here does raise an interesting and perhaps important point concerning the interpretation of our rules. If you would be good enough to look at Rule 47, which governs oral questions with debate as already referred to by Mr Fellermaier, the fourth subparagraph of Rule 47 (1) reads thus :

Oral questions with debate shall not be included in the agenda of a part-session if that agenda already provides for the subject to be discussed with the participation of the institutions concerned ;

The point for interpretation of course, is the application of that paragraph to the provisions of Rule 47 A. There can be no doubt that an oral question under 47A is on the agenda. There is no doubt that it is to be discussed with the participation of the institutions concerned because 47A specifically says that these questions shall be addressed to them. So the point for decision is whether the exchanges at Question Time under Rule 47 A do or not come within the ambit of the term *discussed* in Rule 47. If they do, then Mr Fellermaier is clearly wrong ; if they do not, improbable as it may seem, he may be right, but this is a matter of the interpretation of the rules, and I would respectfully request you, Mr President, to give consideration to this matter in consultation with the Secretary-General and your other advisers, and to rule on it — not at this moment of time because I do not think it should be ruled on without consideration — but to give a considered ruling on it either tomorrow or at such time as may be convenient to yourself.

President. — I call Mr Prescott.

Mr Prescott. — I have heard of lawyers interpreting laws as best suit the case, and I think that, if Sir Derek Walker Smith interprets it in that way he may be giving us one interpretation, but as a non-lawyer may I suggest to him that the subject of the rule he refers to is Oral Questions with Debate. We have a procedure for questions in this House. This is a Question with Debate. An exchange of views on a question is not a debate: we distinguish between Question-Time — I am putting a point of view — and debates, and that is one of the reasons why we had this procedure of oral questions with debate. Quite frankly, sir, if you are to offer an interpretation of that, clearly I would argue that an oral question with debate is an entirely different thing from the questions that we have in the procedures of this House.

Frankly, the real issue is this: an individual Member, not acting on behalf of his group, has taken the initiative to put a question down on a matter which is of fundamental importance and on which we are all agreed that this House should air its views and question the Commissioner concerned — Mr Normanton, on his initiative, has tabled the question — but there were those in my group who saw that vital issues were involved in this question and felt it far more important to seek advice within that group and indeed to ask the group if they could support that view and to ask for a special emergency debate. Now that approach meant that our question was perhaps tabled somewhat late, because, first, it needs time for people to agree in a group and, secondly, as Mr Fellermaier has pointed out, to enquire from the Commission whether they would answer within the time still remaining. This agreement was sought and given, and therefore it may well be that the initiative came from individuals in each group at the same time using different procedures. The procedures that were used in the Socialist Group take a longer period of time, but I would put it to this House that it has been suggested before that if there are oral questions with debate to be put down, then it would be better that groups limit themselves to one or two per part-session. If it is a matter of who gets it down on the order-paper first, then each individual Member, whenever he sees an issue, will seek to flood the order-paper with all sorts of questions rather than attempting to get it in the proper order of priority by asking his group to do it. If that is the case, the Tory group could have done exactly the same thing: Mr Normanton could have taken it to his group and followed the procedure that we did.

So, Mr President, I think we have followed the proper procedures. The issue is absolutely important, it does not deny Mr Normanton the opportunity to join in that debate, as I am sure he will, and I think we should therefore adopt the recommendation you first gave, which will allow all parties to this issue to take part in the debate, and not quibble who is first or

second. All of us, as Members of this House should be able to express our concern over this matter.

President. — I call Mr Hamilton.

Mr Hamilton. — One interpretation of Rule 47 has been given by Sir Derek Walker-Smith. My interpretation is entirely different. I do not think this case is covered by Rule 47 as explicitly as it might be, though I think the Committee on the Rules of Procedure and Petitions might look into the matter to see if there is any further clarification required. But I think it must be abundantly clear that, whether or not the missing uranium issue is covered *formally* by the debate tomorrow, it will in fact be referred to in greater or less detail. I think we are quibbling on this and in so far as this issue will be referred to, Mr Normanton's question will be pre-empted in any case. I do not think we need bother too much about this matter but I hope that you, Mr President, and the House, might see fit to refer this whole matter to the Committee on the Rules of Procedure and Petitions because I think there is a certain undesirable element in that no question put on the paper should be pre-empted by any subsequent action by an individual or by a group. I think that if the question is there, then that question and the answer to it ought to take precedence over subsequent action by any other group or individual.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, the crucial point in this discussion seems to me to be that neither the political groups nor the Members of this House have been informed of the content of the oral questions for Question Time when they meet for this part-session. So, Mr Scott-Hopkins, there can be no question of any competition here because no-one in the House knows the questions. If Mr Normanton's request were to be met, a completely different procedure would have to be proposed, i.e. at least the chairmen of the political groups would have to be informed of all the questions in the week preceding the part-session. The questions would have to be placed on the desks of each of the chairmen and it would then be possible to determine whether it was necessary for an initiative to be taken on particular questions. Since this has not so far been the case, my group's request is legitimate. So too, of course, is Mr Normanton's question in Question Time. It is however rendered absurd by the fact that we shall be discussing it tomorrow. Now I know Mr Normanton is an excellent and combative parliamentarian.

I am sure that tomorrow he will have his name entered promptly by his group in the list of speakers and he should be grateful to the Socialist Group because he will be able to say much more than if he had been confined to putting supplementary questions during Question Time.

(Laughter)

President. — I call Lord Bessborough.

Lord Bessborough. — Mr President, could you tell me exactly when it is proposed that Mr Fellermaier would himself be speaking to ask his question with debate on the loss of uranium? If you take the list on page 4 of the draft agenda, would it be after Mrs Kruchow or after me? One other thing is this: from what you, Mr President, have said, it seems that we will not, for example, be able to question the Commissioner separately on item No 63, on the accident on the 'Bravo' oil rig and that any question we ask on this would have to be put forward during the course of the speeches by the members of the group. I ask all this because, of course, I have to make a report during the course of this debate and I would particularly like an answer on the exact order in which the items will be taken.

President. — In my opinion, Mr Fellermaier's question should become item 65a on the agenda and form part of a joint debate on all aspects of energy.

I call Mr Yeats.

Mr Yeats. — Mr President, I can quite see the problem that has arisen for Mr Fellermaier in that he would like to discuss this matter at somewhat greater length than is possible in the ordinary procedures of Question Time. The difficulty would appear to be that the procedure that he suggests, just will not work. Whatever the interpretation of the paragraph read out by Sir Derek, it does seem quite clear from the third subparagraph, of Rule 47 (2) that any oral question to the Commission must be put down at least one week before the opening of the sitting. The fact that the Commission have very kindly said to Mr Fellermaier they are willing to reply, does not enable us to break our own rules. I am afraid the rules are there and we must observe them. But I would suggest, Mr President, that this matter can be dealt with very simply. I would suggest that we leave this question in Question Time and, at the end of Question Time, in accordance with the provisions of paragraph 1 of Rule 47B, Mr Fellermaier's group or the Conservative Group or any other group should ask for a one-hour debate to be held immediately thereafter. If you, Mr President, accept that request we would have an hour's debate on this matter and it would appear that everybody should be happy.

President. — I call Mr Veronesi.

Mr Veronesi. — (I) Mr President, may I draw attention to the pointlessness of this debate? We must get on and not spend time on casuistic hair-splitting. If the question we have to settle is one of antecedence,

this has been sufficiently ventilated in the discussion and history will judge who was first, and who took most trouble to recognize the importance of the problem.

If, on the other hand, we are concerned with a matter of substance, then let me tell you that tomorrow we shall all find the means to discuss the 200 tonnes of uranium, quite independently of the questions which might have been tabled. I, for instance, have prepared my very modest intervention in expectation that time will be available for such a question, since it comes of course within the scope of the energy debate.

I should now like, therefore, to formally propose that the discussion be closed and that proper importance be accorded to questions of substance, while we leave aside questions relating to party affiliations and public prestige because in this case they are of absolutely no relevance.

(Applause)

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I am delighted to follow the Member who has just spoken, because I was going to say that I think perhaps we have debated this matter enough and I know my honourable friend, Mr Normanton, will agree with me when I say that as long as the matter is raised — and it is going to be raised in the debate tomorrow — that is the most important thing.

The point that was raised by Mr Hamilton is also very important, namely that almost for sure this will preempt Mr Normanton's question. Therefore, by the Rules of Procedure, this would probably mean that the Commission will not answer Question No 22 so I would support the suggestion that this whole issue should be referred to the Committee on the Rules of Procedure and Petitions to consider in depth whether or not any changes should be made, and if so what changes, in our Rules of Procedure. For this part-session we accept the situation as it is, unsatisfactory though it may be, and, as Mr Fellermaier has said, I am quite certain that when Mr Normanton intervenes on behalf of the Conservative Group he will be able to make all the points that are necessary.

President. — I call Mr Normanton.

Mr Normanton. — Mr President I have no intention of detaining the House but I would like to remind the House, if I may, that I raised this matter purely as one of procedure and not in any way because of *amour propre* or political opportunism. I am sure there are others who are far better fitted to competing in that game than I. I am always delighted to bow to those who are experts.

Normanton

All I would ask Mr President is this: having tabled Question No 22, I had to withdraw another question which I had proposed to include; in view of the rules I could not include two questions and I wonder whether it is asking your indulgence too much to allow me to table another question to replace my original question?

(Laughter and cries from the left)

President. — I call Mr Fellermaier.

Mr Fellermaier — *(D)* Mr Yeats has now compelled me to have recourse to Rule 47 and ask the Commissioner formally whether the Commission agrees to the Socialist Group's question with debate being included in the agenda in accordance with Rule 47A of the Rules of Procedure. The approval of the Commission of the European Communities is necessary for this purpose. This is the only blocking regulation which our Rules of Procedure contain. I would ask the Commission to answer this question.

President. — I call Mr Tugendhat.

Mr Tugendhat, *Member of the Commission.* — Yes, we have already agreed, I am pleased to be able to say.

President. — I call Mr Yeats.

Mr Yeats. — Mr President, that still does not get round our own Rules of Procedure. We all agree on what we want to do. Can we not do it under Rule 14 as an urgent matter, and comply with the rules? No matter what the Commission may say, the rules say quite clearly that under no circumstances may such an oral question be put on our agenda less than six days before the beginning of the part-session. But we can do this in accordance with the rules under Rule 14. Why not do it?

(Protests)

President. — I call Mr Fellermaier.

Mr Fellermaier. — *(D)* I regret that I must formally and emphatically contradict a vice-president of this House on his all-too-free interpretation of the Rules of Procedure. The text of the Rules of Procedure is as follows:

In urgent cases, the President may propose direct to Parliament that a question which could not be placed before the enlarged Bureau under the foregoing conditions be placed on the agenda.

That is perfectly clear. There is no getting round that. The text goes on:

Such questions, together with any that could not be notified within the time-limits specified above, may be placed on the agenda only with the agreement of the institutions to which they are addressed.

Firstly, we submitted the question, secondly we asked the President to adopt urgent procedure, thirdly we

placed the matter before the meeting of the chairmen of the political groups and obtained the approval of the other chairmen. Fourthly, we have now formally asked the representative of the Commission whether the Commission is prepared to answer within a shorter time-limit. He has said that he agrees to this.

The Rules of Procedure have thus been fully respected and I would ask you, Mr Yeats, not to maintain what you have just said since it is not compatible with the Rules of Procedure.

President. — I think this matter should be looked at in this light, even if it has unfavourable consequences for some of our colleagues. I received an oral question with debate and a request for consideration by urgent procedure. I was unable to consult the Bureau but — on an informal basis — I consulted the group chairmen and I am now consulting Parliament.

If urgent procedure is agreed, it is obvious that Mr Normanton's question for Question Time will fall. Tomorrow, however, during the four hours set aside for the debate on energy, Mr Normanton, like anyone else who wants to do so, can speak within the time allocated to each group. I have allowed the question to be discussed as fully as possible because it is clear that many groups are interested in this important problem of the 200 tonnes of uranium.

I therefore put to the vote the proposal to include in tomorrow's agenda, as part of the joint debate on energy problems, Mr Fellermaier's oral question with debate for which the adoption of urgent procedure has been requested. The adoption of urgent procedure is agreed. The proposal is agreed.

During this discussion a nice problem was raised which will certainly be mulled over in the appropriate quarters, namely whether questions for Question Time should be considered as items on the agenda or not.

I call Mr Broeks.

Mr Broeks. — *(NL)* Mr President, Item 372 on Tuesday's agenda is the report by Mr Lautenschlager. As you know, I shall be deputizing for Mr Lautenschlager who has left the European Parliament. Two months ago this report was referred to the Committee on Social Affairs which has not yet been able to give an opinion on it. That committee has said that its opinion is not yet ready. Mr Santer of the Christian-Democratic Group is the draftsman but his opinion has not been dealt with yet. I would therefore request Parliament to defer discussion of the Lautenschlager report until the opinion of the Committee on Social Affairs is ready. It will probably be ready by the next part-session.

President. — Mr Santer, can you say whether you are in a position to present the opinion?

Mr Santer. — (*F*) Mr President, as Mr Broeks has just said, two months ago, this report, which was presented to the House, was in fact referred to the Committee on Social Affairs, Employment and Education for its opinion. It concerned a specific problem — that of protecting the interests of workers within the economic cooperation grouping.

The Committee on Social Affairs, Employment and Education has been unable to complete its consideration of this matter in view of its extremely full programme: we have been asked for an opinion on a number of questions of far more current political significance than the economic cooperation grouping. For this reason and in view of the fact that the committee was only asked for its opinion six weeks ago, whereas other committees, in particular the Legal Affairs Committee and the Committee on Economic and Monetary Affairs, have had three years to deal with this matter, in my capacity as draftsman of the opinion I too should like to request that the report be deferred until the June part-session.

President. — A proposal for this report to be held over has been made. I will call one speaker for and one against.

I call Mr Klepsch.

Mr Klepsch. — (*D*) I am in favour. I support the postponement, but only for a fixed period. My group takes the view that we should ask for the opinion of the Committee on Social Affairs but we cannot of course postpone consideration of the Lautenschlager report indefinitely. This is not the first time that we have waited for the Committee on Social Affairs and I would therefore ask Mr Broeks to specify this time-limit in his request for deferment. This item can now be dropped but we insist that it must be dealt with in June and the Committee on Social Affairs must deliver its opinion by then.

President. — I call Mr Cointat.

Mr Cointat. — (*F*) Mr President, I should like to speak against this proposal. I have four arguments in favour of keeping this report on the agenda, as was arranged.

First argument: Parliament frequently criticizes the Council for its slowness but I must point out that the Legal Affairs Committee was asked for its opinion on this matter in October 1974. If it is deferred yet again, I think that Members will feel bound never again to criticize another institution for its speed or slowness.

Second argument: On 8 February 1977 Parliament already considered the referral of this matter to the Committee on Social Affairs, Employment and Education. This was not done according to the rules, Mr President. Rules 26 and 29 of the Rules of Procedure were quoted and the referral to the Committee on

Social Affairs, Employment and Education was in fact contrary to the Rules of Procedure, but Parliament agreed to it as an exception and by way of a compromise. As a result, it cannot now be said that the Committee on Social Affairs, Employment and Education has considered this matter, since it has done so contrary to the internal Rules of Procedure.

Third argument: Since the Committee on Social Affairs, Employment and Education was asked for its opinion on this report on 8 February 1977, it has had all the time it needs and if this matter is deferred yet again, a new committee might be formed tomorrow which in four years' time would also ask to deliver its opinion on the grounds that it was particularly eligible to consider the matter.

Fourth and final argument: On 8 February 1977 the group chairmen agreed that this matter should be included on the agenda for the May part-session and now this decision is being questioned.

These, Mr President, are my reasons for requesting that the report be retained on the agenda for this part-session.

President. — I call Mr Giraud.

Mr Giraud. — (*F*) Mr President, we should settle once and for all the question of referrals to committee, since problems are constantly being raised by one committee or another. If we applied the Rules of Procedure — assuming they are sound —, or if we amended them — on the basis that they are not —, then this point would not be constantly coming up for discussion.

President. — I agree that this question should be given some thought in order to bring more discipline into our work.

I call Mr Broeks.

Mr Broeks. — (*NL*) Mr President, I would point out that the Rules of Procedure clearly state that if amendments are moved at a plenary sitting, such amendments shall be referred back to committee. That is precisely what has happened in this case. I shall not comment on what Mr Cointat said. The Rules of Procedure are quite clear on this point.

(*Protests from Mr Cointat*)

President. — Mr Broeks' request for deferment falls in with that of Mr Klepsch who wants discussion of this report to take place at the June part-session.

I therefore put to the vote the proposal to defer this report.

That is agreed.

I call Mr Normanton.

Mr Normanton. — Mr President, regarding item No 79, the report by Mr Gibbons, which is due for debate on Thursday afternoon, as a member of the

Normanton

Committee on Economic and Monetary Affairs, I am sure that if the chairman himself were here, he would want me to tell the House that the opinion of that committee has been requested, but the report has still not been before the committee for consideration. In view of the fact that the MCAs have far-reaching economic implications, may I earnestly request that this House not deal with the Gibbons report until this opinion of the Committee on Economic and Monetary Affairs has been presented, so that the two can be considered together? I think that opinion has far-reaching implications we would be ill-advised to ignore.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — On the Lautenschlager report, there were two proposals. Mr Broeksz proposed that it should be referred back to the committee. At the same time you said that, on Mr Klepsch's proposition, there should be limited time. You haven't put that to the House yet, Sir. I accept that the House voted to refer the report back to committee, but will you now, Sir, before you move on to the next item, put to the vote Mr Klepsch's proposal that we should come back to this item at the next part-session, whether the committee has been able to report or not?

President. — The question you raise has already been settled inasmuch as the House has just voted on the proposal to defer the report.

We shall now consider the other matter. There must be one speaker in favour and one against.

I call Mr Klepsch.

Mr Klepsch. — (*D*) On behalf of my group I should like to support the proposed deferment for the same reasons, but also on the same conditions. We agree to the deferment provided that the Committee on Economic and Monetary Affairs is required to deliver its opinion by the next part-session in June and that the whole issue is then dealt with in June.

President. — I call Mr Yeats.

Mr Yeats. — Mr President, I would suggest that this is quite a different matter from the previous application from the Committee on Social Affairs, who were able to put up a reasonable case that they had not had sufficient time to consider this matter. I think I must point out that, while one can respect the ambition of the Committee on Economic and Monetary Affairs to deal with this matter, they have not really been very rapid in their deliberations. They were given this report for their opinion on 30 November 1976. They have had more than 5 months. The Committee on Agriculture approved its report on 27 January. I would also point out that this matter has already been

deferred twice, on the application of this committee, for their opinion. I would really suggest, Mr President, that under the circumstances they ought not to be given any further time. Where they have not, for whatever reason, had time to produce an opinion, they are perfectly entitled, under the rules, to give an oral opinion, and I would suggest, Mr President, that we should ask them to do this, and not allow these interminable delays to continue.

President. — I gather you are opposed to deferring it.

(*Laughter*)

I therefore put to the vote the proposal to consider this item at the June part-session.

That is agreed.

I call Mr Laban for a procedural motion.

Mr Laban. — (*NL*) Mr President, I put my hand up merely because as vice-chairman of the Committee on Agriculture I wish to support Mr Yeats' proposal. The Committee on Agriculture would have agreed to the deadline being brought forward. It seems to me that in such cases you should ask for the opinion of the chairman of the committee concerned. My intention was to come to your assistance.

President. — Mr Laban, I am sorry you used the procedural motion to speak on a matter on which a vote has already been taken.

I call Lord Bruce.

Lord Bruce of Donington. — Mr President, in the light of the decision that has been made on item 79 on the agenda, may we take it, please, that when the item next appears on the agenda, reference will be made to the opinion of the Committee on Budgets that has already been given on this subject? Otherwise a reader of the agenda would come to the conclusion that there was only one report on the subject, without the opinion of the Committee on Budgets.

Now the second point of order I have to raise, Mr President, arises from your initial statement about item No 58 on the agenda, which was due for today, and which you said was going to be postponed because the opinion had not yet been received from the Council. There is a consequential amendment, Mr President, to your decision, to which I would respectfully draw your attention. It is that item No 58 falls on Wednesday 11 May.

President. — Since Mr Cointat's report will not be debated, it is obvious there will be no vote. I call Lord Bruce.

Lord Bruce of Donington. — The next time the item is put on the agenda, can it be noted that the

Lord Bruce of Donington

rapporteur for the 1977 supplementary budget happens to be myself, and not Mr Cointat?

President. — I call Mr Cointat.

Mr Cointat. — (*F*) Mr President, Lord Bruce is right: a slight error has slipped into the agenda. If the supplementary budget is discussed, I would point out that Lord Bruce is general rapporteur for the 1977 financial year, and that I am rapporteur only on the appropriations of the European Parliament, the Council of Ministers and the Court of Justice. Having said that, Mr President, the Committee on Budgets has noted that the normal budgetary procedure was not observed and that we have not officially been asked for our opinion on the draft prepared by the Council of Ministers; it cannot therefore be included on the agenda for this part-session.

President. — I call Mr Howell.

Mr Howell. — Mr President, it appears that no provision has been made for Vice-President Gundelach to make a statement to Parliament following the finalization of the annual price review. This is a departure from previous practice. Can I ask that a statement be made to this House?

President. — So far there has been no request in connection with the statement to which you refer. Obviously such a request can only be considered after it has been made.

I call Mr Howell.

Mr Howell. — Mr President, I have just made a request for such a statement, and I would like to know why we are departing from previous procedure.

President. — I call Mr Tugendhat.

Mr Tugendhat, *Member of the Commission.* — I cannot, of course, draw on previous procedures, but I will convey the message to Vice-President Gundelach. He is going to be here in the middle of the week.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Sir, I am delighted to hear that Vice-President Gundelach of the Commission is going to be here in the middle of the week. I hope to meet him at 5 o'clock on Wednesday in committee, but when are we going to have this statement? If you look at the agenda — you have already drawn our attention to it — on Wednesday we are up to our eyebrows. Is it then the intention, Sir to take the statement from Mr Gundelach, should he be so kind as to make it, on Thursday?

President. — Wednesday's agenda is so full that there is some doubt as to whether it will be

completed. Thursday's agenda is also equally overloaded.

It would seem opportune for Mr Gundelach to make the statement on behalf of the Commission during Friday's sitting.

(*Applause from various quarters*)

I call Mr Tugendhat.

Mr Tugendhat, *Member of the Commission.* — I cannot commit Vice-President Gundelach to doing that. The order of business has been published; the Commission has endeavoured to react to that order of business. Vice-President Gundelach cannot guarantee to be here, and I cannot guarantee his presence. He will, of course, be appearing before the Committee on Agriculture, but I think it is very important, certainly from the Commission's point of view, if the Commission is to cooperate as fully as you would wish, that the order of business should be adhered to.

Mr Scott-Hopkins. — It is very unfortunate the way things are. There has got to be a request from the commission to make a statement, not from us!

President. — I call Sir Derek Walker-Smith.

Sir Derek Walker-Smith. — Mr President, I am fully conscious, as we all are, of the exigencies and difficulties of the timetable and I am, I hope, the last to wish to add to your difficulties. But it is my duty to inform you that at a meeting of the Legal Affairs Committee this afternoon, concern was expressed at the limited proposed allocation of time under Rule 28 for the debate on human rights on Wednesday, a subject which is exciting lively and sympathetic interest and anxieties among all the citizens of the Member States and many outside. A total of less than two hours, with only 10 minutes for the smaller groups, is really a very short measure of time in which to hope to deal adequately with these great questions of human and fundamental importance. So may I, very respectfully, Mr President, and very conscious of the difficulties with which you and your advisers are faced, ask for sympathetic consideration to see, if at all possible, whether some extension of this time could be made available.

President. — For the debate on human rights the Bureau set aside a period of two hours, which does not include the speaking time of the rapporteur or of the authors of the questions nor that allocated to the Commission, the Council and the President-in-Office of the foreign ministers. Nevertheless, in view of the fact that Mr Lautenschlager's report has been held over, it will perhaps be possible to have a small amount of extra time but I do not think we can do more than that.

I call Mr Howell.

Mr Howell. — Mr President, I wish to protest about the fact that there will be no Commission Statement on the agricultural price review. We have a meeting of the Committee on Agriculture tomorrow and it appears that Mr Gundelach is not even going to make a statement on the price review to that committee. Now it does seem very odd that after all the time we have spent discussing this matter we are not going to have a report after it is finalized. Surely this is not in order and could I ask you to request that Mr Gundelach does attend this Parliament and make a statement?

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, I would ask you not to request Mr Gundelach to make a statement. An individual Member of this House cannot ask the President to request the Commission to make a statement. This is covered by the Rules of Procedure which state that the Commission and Council may make statements at any time. If a political group or sections of the House are unhappy because no provision for a statement by the Commission has been made, they should enforce the holding of a debate by urgent procedure on the basis of Rule 14 of the Rules of Procedure, but they should not use Monday evening to raise a point which has nothing to do with the Rules of Procedure. If this debate is desired it should be dealt with in the groups — and I direct this comment at the European Conservative Group — the Rules of Procedure should be consulted and we should proceed accordingly. Otherwise it will look as if we are holding a seminar on Rules of Procedure rather than preparing a parliamentary part-session.

(Scattered applause)

President. — If I have a request to that effect by part of one or more groups, or if the Commission itself asks to make this statement, I shall submit to the decision of the Assembly any change in the agenda.

As a result of the changes already made, the order of business for this part-session will therefore be as follows:

This afternoon

- Statement by the commission on the action taken on the opinions of Parliament
- Cointat report on the system of financing by the EAGGF
- Bangemann interim report on Parliament's operating expenditure for 1976
- Cointat report on a regulation amending the Staff Regulations of Officials

- Nyborg report on a regulation amending the Staff Regulations of Officials

- Nyborg report on the setting up of a European Export Bank

Tuesday, 10 May 1977

9.30 a.m. and 3.00 p.m.

- Joint debate on a statement by the Commission on the accident on the 'Bravo' oil rig, three oral questions to the Commission on energy (questions which had been moved at the previous part-session), an oral question to the Commission on energy, the Bessborough report, also on energy, and an oral question to the Commission on the disappearance of uranium

- Statement by the Council and the Commission and Shaw report on budgetary policy for 1978

- Walz motion for a resolution on licence fees

3.00 p.m.

- Question Time

Wednesday, 11 May 1977

10.00 a.m., 3.00 p.m. and possibly, in the evening:

- Question Time

- Statement by the Council and the Commission on the London Summit

- Statement by the Commission on the economic situation in the Community

- Joint debate on an oral question to the Commission, the Council and the Foreign Ministers meeting in political cooperation, an oral question to the Foreign Ministers meeting in political cooperation and the Johnston report on human rights

- Radoux report on security and cooperation in Europe

- Radoux report on Mutual and Balanced Force Reduction

- Oral question with debate to the Council on the Multifibre Agreement

- Schuijt report on elections to the European Parliament

Thursday, 12 May 1977

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

- Adams report on the European Social Fund

- Lezzi report on the improvement of living and working conditions

- Cointat report on fraud relating to the common agricultural policy

- Laban report on the modernization of agricultural operations

- Oral question with debate to the Commission on Italian control of currency in cash form

- Notenboom report on turnover tax in international travel

President

Friday, 13 May 1977

9.00 a.m. to 12 noon :

- *Procedure without report*
- Klepsch report on eels (without debate)
- possibly, continuation of Thursday's agenda
- Bangemann report on the Law of the Sea conference
- Martinelli report on the Additional Protocol to the EEC-Israel Agreement
- Pintat report on the EEC-Egypt, EEC-Jordan and EEC-Syria cooperation agreements

Since there are no objections, the agenda is thus agreed.

13. *Limit on speaking time*

President. — On 21 April 1977, the enlarged Bureau decided to allocate speaking time as follows for the debates on energy and on the rights of man :

Debate on energy problems :

Commission	30 minutes
Mrs Kruchow	10 minutes
Lord Bessborough	15 minutes
Socialist Group	55 minutes
Christian-Democratic Group	45 minutes
Liberal and Democratic Group	25 minutes
Group of European Progressive Democrats	20 minutes
European Conservative Group	20 minutes
Communist and Allies Group	20 minutes
non-attached	10 minutes

Debate on human rights

Socialist Group	35 minutes
Christian-Democratic Group	30 minutes
Liberal and Democratic Group	15 minutes
Group of European Progressive Democrats	10 minutes
European Conservative Group	10 minutes
Communist and Allies Group	10 minutes
non-attached	5 minutes

For all other reports and motions for resolutions on the agenda I propose that as usual speaking time be limited as follows :

- 15 minutes for the rapporteur and for the spokesmen of the political groups ;
- 10 minutes for all other speakers ;
- 3 minutes for speakers on amendments.

Since there are no objections, that is agreed.

14. *Tabling of a motion for a resolution*

President. — I have received from Mrs Waltz, chairman of the Committee on Energy and Research, a motion for a resolution with request for urgent debate pursuant to Rule 14 of the Rules of Procedure

on the need for innovation and research policy measures to be taken by the Community in the near future in those areas in which Member States derive a low revenue from the granting of licences and have to pay substantial licence fees to third countries (Doc. 75/77)

This document has been provisionally placed at the end of the agenda for the sitting of Tuesday, 10 May.

I shall consult Parliament on the urgency of this motion for a resolution at the beginning of tomorrow's sitting.

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

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

Mr Tugendhat, member of the Commission. — Mr President, in recent weeks the Commission has amended a number of proposals in line with amendments requested by the Parliament and accepted during debate. We have amended three transport policy proposals concerning the tariff system on which Mr Schwabe, Mr Mursch and Mr Albers presented reports. In two other cases the procedures for amending our initial proposals are in progress. They concern the harmonization of social provisions in transport, on which Mr Seefeld and Mr Osborn prepared opinions. In the light of your amendments the Commission has also altered two proposals in the environmental policy field. These concern the limits of sulphur dioxide in the urban atmosphere and the use of fuel oils with the aim of reducing sulphur emissions. Mr Müller was the rapporteur on these two proposals. The Commission is also in the process of amending its initial proposal to take account of the amendments which it accepted in Mr Shaw's report on the application of the European unit of account to legal acts adopted by the European Community institutions. All these modified texts are being sent to the Parliament in order that it may be kept fully informed of the situation.

Mr Kofoed's report on fisheries, however, has raised some problems for the Commission. As you know, Mr Gundelach agreed to a number of changes which the Commission was prepared to incorporate in an amended proposal. Subsequently, however, in the light of the work being done in the Council, the Commission has decided to present a revised proposal which is both more wide-ranging in its scope and also more closely in line with the ideas expressed by Parliament. I am sure that Parliament will agree in these circumstances that there is no point in amending the original proposals to take account of the numerous but minor amendments to which Mr Gundelach agreed in the course of the debate on the report by Mr Kofoed.

16. *Directive on the system of financing by the EAGGF*

IN THE CHAIR : MR MEINZ

Vice-President

President. — The next item is the report (Doc. 85/77) by Mr Cointat on behalf of the Committee on Budgets, on the

inspection by Member States of transactions forming part of the system of financing by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund.

I call Mr Cointat.

Mr Cointat, rapporteur. — (F) We can only welcome the desire to exercise greater control over the aid granted by the EAGGF, Guarantee Section. Subject to a number of amendments the Committee on Budgets unanimously approved the text submitted to it and asks Parliament to approve it also. As a result, Mr President, I may perhaps add a few remarks when we come to the amendments but I have nothing further to say for the moment, for this text is of considerable technical interest.

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

Mr Lange. — (D) I should like to comment on the interpretation of the terms 'strict' of 'flexible' application of the regulations. The Socialist Group believes that such designations should wherever possible be avoided because in certain circumstances the flexible application of certain things might give the impression that one is trying to deal with the matter concerned in a slightly irregular way. According to Mr Cointat's report, however, the exact opposite is the case. It might be a good idea — though no formal amendment is intended here — if Mr Cointat were to comment briefly on this problem.

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

Mr Martens — (NL) Mr President, I should like to congratulate Mr Cointat on his report. As the Committee on Budgets and the Committee on Agriculture have unanimously approved this report, I can be very brief. My group welcomes this directive. We hope that it will contribute to tightening up inspection. Above all we trust that all Member States will cooperate to ensure that the inspection is carried out thoroughly. We also hope that fraud will be thoroughly eliminated and that confidence will be restored. The EAGGF must be able to stand up to the closest scrutiny.

President. — I call Mr Tugendhat.

Mr Tugendhat, member of the Commission. — Mr President, after this very brief debate I would like to

say how grateful I am to Parliament for the support it has given the Commission on this proposed directive which we certainly regard as an essential instrument in the control of EAGGF expenditure. The Committee on Budgets has proposed amendments to three of the articles. As the Council has already started negotiating the proposed directive I am happy to announce that some of the committee's demands have already been met in the version now emerging from the deliberations of the Council's working party.

The committee wished to see greater flexibility in laying down a financial limit to determine the number of persons and companies that should be inspected each year. They wanted to see small traders as well as large ones being visited and Member States having the possibility to vary the numbers inspected annually while keeping up the same average number of inspections. The text, as negotiated so far in the Council, already reflects this flexibility. Furthermore, a suitable note has been prepared which it is expected will be inserted into the minutes to ensure such an interpretation by the Member States.

The committee proposed the strengthening of the wording on mutual assistance between Member States in cases where control of a single undertaking is shared between two authorities. However, the Council is considering a proposed regulation on mutual assistance as such. We feel we do not need to duplicate the detailed mechanisms proposed here and that the reinforcement suggested in Article 7 is therefore unnecessary.

The scale of inspections will be reduced during an introductory period. The committee asked for a shortening of this proposed introductory period from three years to one year. I welcome that proposal and can tell you that it will be introduced into the Council negotiations. I do not think, however, that the Member States' authorities will agree to accept a shorter period than the two years already agreed during negotiations. Most authorities will have to recruit and train inspectors to carry out the new provisions and they take the view that a transitional period as short as twelve months is quite simply impossible. With this explanation I hope that Parliament will adopt the resolution how before it.

President. — I call Mr Cointat.

Mr Cointat, rapporteur. — (F) Mr President, following Mr Martens' speech I should like to say that the Committee on Budgets noted of the opinion of the Committee on Agriculture, in particular as regards the gradual extension of control to include small undertakings, which receive less than 100 000 u.a. from the EAGGF each year. The Committee on

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Budgets therefore supports the Committee on Agriculture in requesting that after the trial period provided for in the directive, control should be gradually extended to include all undertakings.

My reply to Mr Lange is that we did not want a more flexible control; on the contrary, the Committee on Budgets wants it to be effective and more thorough. Its aim, as proposed in the amendments (in particular the amendment to Article 2), is that these controls should not be carried out systematically every two years but that they should be carried out at random throughout this period, to increase their effectiveness.

The Commissioner has informed us of the broad similarity of opinion between the Committee on Budgets and the Council. However, I should like to say to him that we strongly urge that this directive be implemented as quickly as possible and that in our view, to say 'a period of four years' would mean that the directive would not be fully applied until 1983. We should like it to be applied in 1980 and I feel that the Member States will be able to recruit and train their inspectors during the next two years.

That is our only comment, for although we say under Article 10 'in the year following that in which this directive is put into effect', this will only take place in two years' time, which brings us to 1980. That is the only point on which we differ from the statement by the Commissioner, whom I thank most sincerely.

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

The resolution is adopted.¹

17. *Operating expenditure of Parliament for 1976*

President. — The next item is the draft report (Doc. 94/77) on behalf of the Committee on Budgets by Mr Bangemann, on the

operating expenditure of the European Parliament for the period 1 January to 31 December 1976 (financial year 1976). I call Mr Lange.

Mr Lange, deputy rapporteur. — (D) Mr President, this is an interim report of practical relevance for the presentation of the accounts of the Communities. This interim report covers the financial year 1976 and sets out estimates and actual expenditure. Ladies and gentlemen, if you consider actual expenditure for the financial year 1976 as shown in the report drawn up by Mr Bangemann, you will notice that actual expenditure remained 12 % below estimates in 1976. That means that either the forecasts were not quite as accurate as they should be for a budget, or we have all been slightly overgenerous and must make better use of this experience when adopting future budgets, including the budget for our own institution, i.e. this Parliament.

My purpose in raising this point is to prod our consciences in respect of financial and budgetary policy. We should not incorporate excessive reserves in the budget; on the contrary — and I say this not only to my colleagues in this House but in particular to the Commissioner responsible for the Community's budget — our estimates should be made in such a way that we are not continually obliged to suspect that all the institutions are using excessive margins in respect of the budget and are in so doing not observing what we understand by budgetary veracity and transparency. The final decision concerning the discharge which is eventually given will be taken at a later date. This is, as I said, an interim report which gives the Commission the chance to take the necessary steps in respect of the presentation of the accounts of the Community as a whole, including the budget or the presentation of the accounts of Parliament. I therefore ask Parliament to approve Mr Bangemann's report and to adopt the motion for a resolution.

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

The resolution is adopted.¹

18. *Regulation amending the Staff Regulations of officials*

President. — The next item is the report (Doc. 95/77) on behalf of the Committee on Budgets by Mr Cointat on the

proposal from the Commission of the European Communities to the Council for a regulation amending the Staff Regulations of officials and the conditions of employment of other servants of the European Communities.

I call Mr Cointat.

Mr Cointat, rapporteur. — (F) Mr President, I shall speak even more briefly than before. This is purely and simply a question of applying the rules on the Staff Regulations of Community officials to future officials of the European Court of Auditors, which is currently being set up.

Since we now have a new institution, it is natural that the Staff Regulations should apply to its members and officials. The Committee on Budgets has no comment to make and requests you to approve the proposed text.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Mr President, although it is an important subject, my contribution is also very brief. I wanted to speak simply because I should like to welcome this as a further important step towards the rapidly approaching establishment of the Court of Auditors.

¹ OJ C 113 of 6. 6. 1977.

Tugendhat

As the Parliament is no doubt aware, the necessary procedures for the ratification of the treaty under which the Court is created have now been virtually completed in all nine countries. The only remaining stage is that in both Ireland and Italy the President of the Republic has yet to sign the finalized document. However, they are expected to do so very shortly.

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

The resolution is adopted.¹

19. Regulation setting up a European Export Bank

President. — The next item is the report (Doc. 66/77) by Mr Nyborg on behalf of the Committee on External Economic Relations on the

proposal from the Commission of the European Communities to the Council for a regulation setting up a European Export Bank.

I call Mr Nyborg.

Mr Nyborg, rapporteur. — (DK) Mr President, ladies and gentlemen, as rapporteur for the Committee on External Economic Relations I have the difficult task of submitting to you on behalf of the committee our report on the Commission proposal for a regulation setting up a European Export Bank. The Commission sees this bank, particularly in view of the economic difficulties of the Member States, as an important factor in the promotion of exports and in boosting the international competitiveness of the Community. The main task of the proposed European export bank will hence be to offer both to Community exporters and to foreign buyers of capital goods and services produced within the Community credit and insurance on terms comparable to those available to major competitors on the world market, i.e. the USA and Japan. In addition to export promotion however, the proposed bank is also to make a major contribution to the harmonization of the national policies of the Member States in the field of external trade financing. As the House will be aware, the absence of a Community policy in this field has, despite a certain measure of progress in recent months, given rise to a number of marketing difficulties for national undertakings with major projects when seen in relation to their competitors on the world market, and has led to damaging competition between Community undertakings.

Our committee has already referred to these shortcomings on several occasions and welcomes any action by the Commission to speed up harmonization in this

very important field, particularly in the light of the unequivocal judgment handed down on 11 November 1975 by the Court of Justice of the European Communities specifying that matters of export financing fell exclusively within the Community's sphere of competence. The committee therefore discussed the Commission's proposal with great interest and in considerable detail at eight meetings, use also being made of written questionnaires and oral hearings of the parties directly affected in the business community. As regards the technical details I would refer to my report and the accompanying documents and to the opinions delivered by other committees of the European Parliament; I should like to confine myself here to dealing with the most important findings of our discussions.

Firstly, there is the question of whether the European Export Bank could contribute to the harmonization of export financing and insurance within the Community, or whether the proposed bank would only be able to operate properly after further headway had been made towards harmonization in the areas under discussion. Cogent arguments were adduced in support of both theories. As is clear from paragraph 2 in the motion for a resolution, we agreed on the formula that, although the bank could make a contribution to competitiveness in the Community, it was at the same time of vital importance to ensure that the Commission pressed for more rapid harmonization.

A second question of major importance is whether a European export bank is needed. This question figured at the centre of our discussions and was the very area in which it proved absolutely impossible to find a satisfactory answer. It was pointed out to us by the Commission's representatives and by business circles as well that it was virtually impossible to make any forecasts or estimates of the need for the promotion of export ventures on account of the complex nature of the matter and of fluctuating demand. I still take the view that it ought to be possible to produce some figures within the Community based on the experience gained by financing institutions, which have already been operating for many years in the USA and Japan, and on past trends in the export of multinational investment projects. These figures would then provide the European Parliament and, above all, the taxpayers in our respective countries, with the information which we need in order to establish the possible volume of business together with the accompanying administrative costs, and in particular administrative expenditure.

Even though our committee is in principle in favour of setting up a European Export Bank, it cannot at the present time, on account of the unsatisfactory replies received to date, advocate that the proposal be put into practice. Indeed, it is difficult for us parliamentar-

¹ OJ C :33 of 6. 6. 1977.

Nyborg

ians on the basis of a Commission proposal to endorse a project, in respect of which the Commission is at present unable to supply us with any information concerning the expenditure that will be involved and, most important of all, the amount that will need to be charged to the Community budget, over which it is our duty to exercise supervision. I would like to point out in this connection that the Council also seems to have taken advance note of these objections since it has made only a token entry in the Community budget against the item originally set aside for this purpose, viz. 100m u.a. as initial capital for the European Export Bank.

Of the many questions relating to matters of detail which remain open or which have not been answered satisfactorily, I should like to mention, in addition to the two major points already referred to, the following points for the sake of completeness :

- since the bank is only intended to provide supplementary financing, it will in many cases simply, result in more paperwork, causing considerable delay ;
- the absence of basic guidelines for the European Export Bank and the necessary coordination of such guidelines with Community policy in other fields ;
- the absence to date of criteria for the selection, where appropriate, of export projects by the European Export Bank ;
- the Commission's proposed right of intervention which, in the view of the committee, would create difficulties in the course of normal banking operations ;
- the total lack of even so much as conjectures as to the amount of budgetary expenditure which a European export bank would entail. After all, we cannot just sign a series of blank cheques !

In spite of the many detailed and sometimes controversial discussions in committee, we were not able to find satisfactory solutions to any of these points.

In conclusion I would therefore like to say once more that the Committee on External Economic Relations considers that a common commercial policy should be defined as a matter of urgency, particularly in the field of export financing and insurance. We have not been convinced that a European export bank would in this respect be able to make a major contribution to the process of harmonization. In fact, one cannot help feeling that, after many years of ineffectual efforts at harmonization, the Commission would like to achieve at least some measure of debatable success by means of an institutional part-solution. We take the view moreover that the creation of new institutions and the fragmentation of Community activities cannot contribute to European integration. We have not received a satisfactory answer to the fundamental question of whether there is really a sufficiently great need for a European export bank in the Member States. This being so, we also lack the essential data for answering the follow-up question : how great a burden will a

European export bank impose on the Community budget and, hence, indirectly on the taxpayers in our respective countries ?

Quite apart from the other points of detail which have either not been answered at all or only in an unsatisfactory manner, this crucial shortcoming has prompted us to ask the Commission to re-examine the proposal for a regulation and to revise it accordingly ; I hope that the European Parliament and my fellow Members will be able to endorse these conclusions.

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

Lord Brimelow. — Mr President, within the Socialist Group there have been, and still are, differences of opinion on the desirability of setting up a European Export Bank. The same might be said of the committees of this Assembly which have considered this question. This diversity of views should not, however, be regarded as an obstacle to the adoption of the final paragraph of the motion for a resolution submitted by the Committee on External Economic Relations on the basis of Mr Nyborg's painstaking and very complete report. That resolution does not claim that a solution has been found to the difficulties and the lack of information which have led to conflicts of opinion. On the contrary, in the light of the objections that have been raised since the Commission's proposals were first put forward in August 1975, it calls for a re-examination of the problems which are still unresolved, and it asks that the Commission's proposals be revised accordingly. This is, in the opinion of the majority of the Socialist Group, the right approach and I hope that it will meet with the approval of this Assembly.

This recommendation differs from the opinion of the Committee on Economic and Monetary Affairs as drafted by Mr Erwin Lange and adopted with 4 abstentions on 27 February 1976. That opinion expressed the hope that the Commission would withdraw its proposals for the setting up of a European Export Bank, but it then went on to add that if the Commission was not willing to withdraw its proposals, then the Committee on Economic and Monetary Affairs would request a second opportunity of discussing the proposal in detail. If further consideration is to be given to the establishment of the European Export Bank, it is more reasonable and more expeditious to invite the Commission to revise its proposal than to withdraw it. In support of this opinion I would quote from the opinion of the Committee on Development and Cooperation, adopted unanimously on 19 May 1976. In the final paragraph of its conclusions that committee expressed the hope that the Commission would shortly submit a revised, more detailed and

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more thorough proposal. That is exactly what the majority of the Socialist Group would wish.

The opinion of the Committee on Budgets sets out in its conclusions a number of criticisms of the Commission's proposal and asks that these criticisms be met; but its general opinion is favourable. I should like to emphasize the reasons for which that committee's opinion is favourable. It is because the Committee on Budgets would regard the establishment of a European Export Bank, provided it had the right terms of reference, as one of the means of improving export credit facilities for the Member States. This, I submit, is the crux of the problem. The level of unemployment within the Community is regarded by the Socialist Group as unacceptably high. If, as seems to be the case, the Community is losing large-scale multinational export business owing to the lack of a European Export Bank able to compete on terms of equality with the facilities offered by the Exim Bank of the United States and the Exim Bank of Japan, then the creation of such a bank with adequate resources and businesslike terms of reference is a matter of urgency.

One year and nine months have passed since the Commission's proposal was made. The delay in calling for the revised, more detailed and more thorough proposal requested by the Committee on Development and Cooperation has already been excessive. To reject the Commission's proposal outright, or to invite the Commission to withdraw its proposal, would be to add to the delay which has already occurred. To invite the Commission to proceed at once to the improvement and refinement of its proposal is by far the better course.

The Commission has cited only two examples of export orders which have been lost for lack of a European Export Bank. That in itself would be a small foundation on which to build a large enterprise. But the enquiries conducted by Mr Dalyell, on behalf of the Committee on Budgets, were extensive, and showed that belief in the potential usefulness of a well-constituted European Export Bank is widespread in responsible banking circles and among governments. The question is: in what respect will the Commission's proposal have to be modified in order that the proposed European Export Bank might be regarded as well-constituted?

The findings of the Committee on Economic and Monetary Affairs, of the Committee on Budgets, of the Committee on Development and Cooperation and of the Committee on External Economic Relations have drawn attention to a long list of problems requiring further consideration. Some additional points may be found in a report on the subject of the European Export Bank made in my own country by the select committee of the House of Lords on the European

Communities in its 47th report, printed on 13 July 1976. As a member of that committee, I support its conclusion that expert working groups should be set up without delay in order to help the Commission in the preparation of an improved proposal. Only when the problems have been examined in detail and the revised proposals submitted will it be possible to reach a judgment whether or not to proceed, but the work necessary to improve the proposal should, in my submission, be commissioned without further delay.

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

Mr Martinelli. — *(I)* Echoes of the rather lively debates which — as the rapporteur, Mr Nyborg, has just told us — occurred on this important question of the establishment of a European Export Bank in the committees, can now be heard in this House. Having listened to Mr Nyborg in the Committee on External Economic Relations, and having refreshed my knowledge by reading his report, I must say that despite the exemplary integrity of the latter in presenting the arguments for and against, and despite the accurate exposition which offers the reader a broad and detailed view of the subject matter, one cannot help feeling doubtful as to the criteria whereby the conclusion was reached that it would be better at this stage not to set up the European Export Bank.

Before embarking on a detailed analysis of the arguments propounded by Mr Nyborg I should like to point out that in the report itself it is admitted that exports to third countries are a growth sector. We thus come upon the first internal contradiction that between the recognition that the question is a topical one and the postponement of the setting up of the Bank. The conclusions of the Nyborg report are based substantially on three points: (1) the economic experts and business circles approached were not unanimous in their opinion (paragraph 4 of the resolution); (2) no information was obtained of the likely volume of business and its probable cost (paragraph 5 of the resolution); (3) no criteria for the selection of projects to be handled by the European Export Bank were available (paragraph 7 of the resolution).

Let us consider briefly these arguments. First: there has been no agreement between the experts and the economic circles concerned on the need to set up this bank. But it could be asked: Are we going to make a new rule of unanimity for the world in which the Community has to live? And, talking of unanimity, has anyone ever seen a committee of experts producing a unanimous opinion?

The proper way to put the question would be: Was there a majority of opinion among the experts and among the economic circles in favour of the establishment of a European Export Bank? And the answer to

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this question must be yes. The overwhelming majority of the bodies concerned — I shall speak about the opinions of this Parliament's committees later — pronounced in favour. The Economic and Social Committee said yes, UNICE said yes, the European Centre for Public Enterprise said yes, the Savings Bank Association of the EEC said yes. The Standing Conference of Chambers of Commerce and industry of the EEC was against. I would urge those colleagues who have not yet had the opportunity to do so, to read this opinion which contains very little technical justification and turns mainly on the argument that so far no major difficulties had arisen in multinational export transactions. But Lord Brimelow has just told us that, on the contrary, difficulties do exist. In fact, from my modest personal experience, I can also tell you that these difficulties exist. One wonders from which chamber of commerce the author of this opinion has drawn his experience...

We are told in the report that the EEC Banking Federation, which, however, let us be clear—does not include the savings banks, who were in favour, has given a negative opinion. But if you read the Banking Federation's opinion you will find there statements essentially in favour of the proposal, statements such as that the European Export Bank could help to standardize export credit insurance and financing systems; or that the bank could improve cooperation between the existing institutions of the Nine. Are we to consider this answer, then, as totally negative, or should it not be rather seen as at least moderately in favour?

The other reason adduced for referring the proposal back to the Commission *sine die* is that it has not been possible to obtain any practical indications of the likely volume of business of the European Export Bank. I have taken the trouble to read the replies of then vice-president of the Commission, Sir Christopher Soames and they are, in fact, as I have already seen stated in one of the opinions, fairly laconic. But I am entirely in agreement with his statements. In these answers, given last July, and still totally applicable today, it is pointed out that projects requiring large amounts of capital for which transnational solutions offer the best perspectives, are growing in number. This is a fact which is of relevance also in our efforts to raise the level of employment. It is an incontrovertible fact and anyone concerned with economic matters must know it well. But as for quantifying the need for the proposed banks services, we should perhaps bear in mind that businessmen are not guided by theories, and until this, Community bank is created, businessmen will continue to operate within the existing system. After all, if they want to put their plans into effect they have to use what is there!

What is certain is that current opinion is that a European Export Bank would be meeting a real need. I do

not have to remind you — another speaker has already done so — that the two main economic competitors of the Community (the United States and Japan) already have such institutions and they are much used by exporters. Just take a look at their balance sheets. You may say that it is a different set-up there. Partly this is true. We are neither the United States nor Japan. But why should a similar institution not be useful in the Community? Does anyone believe it would be harmful? To whom? It seems to me that to create the possibility of Community solutions — I emphasize the Community aspect — to the problems of business transactions outside the Community by firms and undertakings within the Community would be much more sensible than forcing our exporters into a continuous battle with our national systems which are all different and often very divergent.

What we should do is create a new situation and see what the response is within the framework of broad cooperation with national bodies. It would not be a question of eliminating or suppressing anything that is already in existence, but simply of coordinating and harmonizing.

Now as regards the budgetary charge, you Mr Nyborg, have said that the Commission was asking for a blank cheque. I do not see it like this. In any event I am convinced that even if that were its intention, which I do not believe is the case, it would be for Parliament, with its sense of responsibility, to lay down from the start limits to the volume of the transactions and the administrative costs.

We have recently received — I was able to read it a week ago — an extensive and interesting communication from the Commission on the Community's budgetary problems. Forty-eight pages of excellent stuff. It says that the role of the Community's budget has been steadily growing in importance in respect of the objectives of the various sectors of activity, that it has been expanding in scope and depth — and it is in the light of these developments that I consider that this is the moment to give consideration to the European Export Bank question.

In regard to the bank it was pointed out that criteria for the selection of projects to be handled by it are not available. That is a valid point: such criteria must be formulated, examined and assessed and Parliament's request to this effect should be given attention. This will also settle the question of whether the European Investment Bank should be entrusted with the tasks which would go to the Export Bank. In my opinion this question is incorrectly posed and implies a confusion of competences. Export credits are a matter of trade policy and thus should be handled by Community institutions concerned with this policy.

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The European Investment Bank's functions are quite different. It is an instrument of social and economic policy and should retain this specific and distinct function, in which, as we know, it enjoys a special kind of independence that no-one would dream of according to the European Export Bank. Cooperation between the two institutions in those sectors where their respective activities overlap would, of course, be possible, but should not derive from an identity of tasks. And this principle is embodied in the right of veto which the Commission can exercise in the Community's interest, as laid down in Article 9 of the bank's statute. I agree that this should be very strictly defined to ensure that the Export Bank's management retains substantial freedom of action, but to me it is perfectly clear that in certain, well defined important cases the exercise of this veto would be in the interest of the Community.

Before concluding I should like to mention the high standard of the opinions of the Parliamentary committees. I apologize if my comments appear rather peremptory.

The opinion of the Committee on Budgets, drawn up by Mr Tam Dalyell, whom I wish to thank, is highly favourable. I warmly congratulate the committee on its attitude.

The opinion of the Committee on Development and Cooperation, drawn up by Mr Deschamps, turns on the possible harm — I underline 'possible' — to development policy that might result from any conflict with trade policy. The report states in conclusion that a European Export Bank as conceived in the Commission document is not essential. The Committee on Development and Cooperation is not therefore able to deliver a favourable opinion. To me it seems that this opinion, closely and very objectively argued by Mr Deschamps in five pages is more of an interim than a negative opinion. It is entirely based, I repeat, on fears of harmful consequences, the reality of which has in no way been demonstrated.

And finally we have the opinion of the Committee on Economic and Monetary Affairs, drawn up by Mr Lange, which considers that the need for a European Export Bank is not sufficiently proved and recommends the Committee on External Economic Relations to request the Commission to withdraw its proposal. So, the Committee on External Relations, spurred by this recommendation, calls on the Commission to exert 'forcefully' its authority over the Member States in the matter of export financing and insurance. Just 'forcefully'... As far as the Commission is concerned we are preaching to the converted. We must, then, hope that the Council, for whom it is intended, get the message. But, in the face of the objective — and how many objectives have we yet to realize in the Community! — of rational and harmonized management by the Commission of export credit

insurance and financing, is this sufficient reason to block at this point the establishment of a European Export Bank, to postpone the adoption by Parliament of the principle of the establishment of this bank, and thus to postpone the drafting of a new regulation that would take account of the comments made by the Parliamentary bodies?

My time is running out. I see a contradiction between the desire for improvement in the sector of export insurance and finance which emerges in all the reports and opinions and the clamping down on the establishment of the bank. The bankers themselves have said that this institution could promote coordination and harmonization of various existing provisions. Parliament, which with each year becomes more conscious of its role and of its duties, in rejecting the proposal for the bank's establishment would be preventing a positive development in a sector of major importance. This is something we should clearly understand.

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

Mr Baas. — (NL) Mr President, first of all I should like to thank the rapporteur for his excellent report. I am particularly grateful to him for bravely assembling all the arguments for and against the establishment of a European Export Bank, a difficult task which took over eighteen months. However, despite the many discussions, talks with experts and hearings, the committee was not able to come out clearly for or against the setting up of the Export Bank. Thus while it is desirable, in view of existing difficulties, for the outstanding questions to be investigated further, I think Parliament should ask itself by what criteria such a proposal should be appraised. Taking a look at those criteria the most important one seems to me to be the promotion of exports. Otherwise there is no point in setting up an export bank.

Secondly, there is the problem of getting together the technical know-how available in the Community. This is an important question. We live in a time of highly specialized skills. Are the industries of the various Member States of the Community really in a position to compete with one another? No, they are not. Despite the high degree of specialization I do not think that they are each individually able to assemble all the know-how and compete effectively with projects by the United States or Japan.

The third criterion which merits special attention in my opinion is employment, the need to find jobs for people in the Community. Any contribution, any efforts we make to achieve this goal must, I believe, be seen in a positive light. We must not at the same time start counting the cost and wondering what the results are going to be. Those are pertinent questions but they cannot easily be answered. Are not Members of

Baas

Parliament also expected to show imagination? Are we prepared to take certain risks? If we are not prepared to take any risks the answer is simple. We oppose the setting up of the EEB and that is the end of the matter. But that means that we shall certainly find ourselves in an extremely unfavourable position vis-a-vis the United States and Japan.

The European Export Bank does not have any capital at its disposal and cannot provide credit on favourable terms. Mr President, I have no objection to the discussion being continued but the first question which we as Members of Parliament must ask is this: what criteria should be applied to decide whether this bank should or should not be set up? This is a fundamental question which I do not think Mr Nyborg and the Committee on External Economic Relations have answered. The purpose of course is to provide a system of export financing. As we all know, hardly any progress has been made in the harmonization of trade policies and this is something we have not had the courage to denounce. Your initial reaction, Mr Nyborg, was therefore not necessary. But that is not the question which we must deal with today. The question is whether there should be an export bank or not. It does not need to be repeated that the European Community is scarcely making any more progress and Mr Nyborg is of course right.

An export bank is an instrument of trade policy and major commercial factors play an extremely important role in this area. At the purely commercial level it is of course extremely difficult for an export bank to operate in the European Community. The Liberal Group supports the Commission's objectives. Whether this is the right time to put this plan into effect is another matter. None of us needs an institution which does nothing for two or three years. Doubts may arise as to the circumstances necessary to permit an export bank to operate but these are linked to different factors from the ones mentioned by Mr Nyborg. These are the balances of payments of the various countries of the Community, the divergences between the exchange rates of the various currencies, which can have very far-reaching effects, especially for long-term supply contracts at fixed prices over a period of several years.

So far there is no evidence that multinational export projects have been lost for European industry. You are a sufficiently shrewd businessman, Mr Nyborg, to know that there is no way of knowing what industry is losing. You can never know why you have failed to obtain an order. There is no way of knowing that. All you know is whether you get it or not. It is impossible, or at least extremely difficult, to find out why.

I personally believe that European industry has indeed lost a large number of projects. This must be acknowledged. The various Member States are individually each too small. For the really big orders worth

millions we need the ingenuity of the French constructor, the imagination of the Italian designer and the reliability of the German. Europe will be able to compete only if it achieves some such combination and breaks free from the present restricted framework in which each of the countries operate.

I attended the hearing with the banks and, to be frank, I must say that I came to the conclusion that they are worried at the prospect of having a competitor. That's what it all boils down to. The talks went on for two whole hours and at the end the banks said that the European Export Bank's role should be merely complementary and confined to cases in which the commercial banks and credit insurers were totally unable to carry out transactions satisfactorily. Of what use is that? Are we going to set up an export bank to carry out tasks which are scarcely feasible or which yield next to nothing? If we were to do that the European Export Bank would certainly be a failure. If we Members of Parliament do not realize this, if we are not prepared to prevent this from happening, our final verdict will be an unsound one.

It would be Utopian to hand over a few multinational projects to the European Export Bank. That is no way to begin. But if we only give credits in cases in which others say that they consider the risks too high we shall never get started.

On the other hand, however, I cannot understand the conclusions drawn in the opinion drafted by Mr Deschamps on behalf of the Committee on Development and Cooperation. If there is a possibility for the European Community of taking risks, additional risks, for the sake of certain developing countries, provision for any such political risks involved might be made in the statutes of the Export Bank and the Community could offer the necessary guarantees.

Mr President, the Liberal Group considers that we must be prepared to re-examine all these problems. In doing so, however, a different approach must be used from the one employed by the External Economic Relations Committee. I have the greatest respect for Mr Nyborg but I hope that he will take a somewhat wider view in assessing this project. I am fully aware that certain national objections, which have not yet been mentioned, can be made against the project. But our main concern here is with the European Community and this project would promote its integration. I therefore think that Parliament should adopt a somewhat more positive, imaginative and courageous attitude towards this proposal.

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

Mr Cointat. — (*F*) Mr President, as usual Mr Nyborg has submitted an excellent report, and I have pleasure in complimenting him on it.

Cointat

It is true that the setting up of a European Export Bank raises numerous problems which have yet to be resolved, leads to doubts and uncertainty in some circles and that there are many questions still unanswered, such as, what will be the turnover? How will the bank be administered? How much will it cost? What will be the cost to the Community budget? Will it help to further harmonization in the fields of financing, insurance and export promotion or, on the contrary, will it have to wait until such harmonization has been completed? In my opinion this explains the extremely cautious conclusion by the rapporteur and the Committee on External Economic Relations. On the other hand, everyone agrees that the present situation is unsatisfactory and that far-reaching measures must be taken to remedy it.

Someone said that not all the experts were in agreement. But they are never all in agreement and if you want to draw up a good law or a good regulation, I urge you never to consult too many experts or else you will never change anything. In my opinion the setting up of a European Export Bank therefore represents a first step. It is a means of attaining an objective which we all approve and in this connection I felt that the Commission has shown considerable courage in taking this initiative. Since this is not always the case, I congratulate the Commission: I should like it always to show the same courage in every field and to embark on projects of this kind, which we approve in principle.

I shall not repeat what has already been appositely and thoroughly dealt with by the previous speakers. I agree with the substance of their remarks and I shall merely repeat that as far as exports are concerned, we cannot at present hope to compete with countries such as the United States and Japan, which use the Eximbank system, and that as a result the setting up in the Community of a similar, if not identical not identical system can but benefit Europe. Indeed, I believe that the European Export Bank may well increase the chances of joint European tenders, faced with the difficult task of matching international competition.

I also feel that exporters should submit projects in a single currency to protect themselves against exchange fluctuations. This factor is extremely important for our exports and perhaps more so for small countries than large ones, as Mr Baas said just now.

Of course this raises the serious problem as to whether the setting up of a European Export Bank will further a common commercial policy or whether, on the contrary, it will stand in the way of such a policy. I feel that the guarantees provided by the Commission's plan are sufficient to enable us to say that the setting up of this body is a move in the right direction and that it will further the building of Europe.

First and foremost the Commission will have the right to intervene in the bank's management committee. It will therefore be able to influence the action taken by this body and, above all, there is provision for control to be exercised by the Community institutions and in particular the European Parliament. Speaking as a member of the Committee on Budgets, I have absolutely no doubts that the appropriations needed for this bank will be entered in the budget and although the initial allocation of 100 m u.a. seems to represent only a partial budgetization, I trust that Parliament, the Commission and Council will ensure that the lending and borrowing operations of the European Export Bank are also included in the budget.

So, Mr President, I shall conclude by saying that we welcome this new venture which reflects the wish repeatedly expressed by this House, by enabling it to exercise more fully its right of control and to assume all its responsibilities.

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

Mr Spicer. — Mr President, may I, on behalf of my group, give very general support to this report and to the directive to which it refers? Those of us who have served on the Committee on External Economic Relations for some time know that Mr Nyborg, in preparing this report has had a very long, hard slog with a good deal of opposition, a great deal of amendment in the process. I would like to thank him, certainly personally, for the very great patience which he has shown with all the various ways in which we have put amendment and views forward to him, and which he has very kindly incorporated in his report.

The Commission view on this is quite simply laid down. If I may I would just like to quote from the explanatory statement of Mr Nyborg's report:

The Commission sees this bank, particularly in view of the economic difficulties of the Member States, as an important factor in the promotion of exports and in boosting the international competitiveness of the Community. 'It seemed desirable to create a European Export Bank which, as its main task, would be able to offer both to Community exporters and to foreign buyers of capital goods and services produced within the Community, credit and insurance on terms comparable to those available to the exporters of other major trading countries.'

That is a simple statement, and it would at first sight seem difficult to understand how anybody could possibly quarrel with that as an argument for the setting up of a European Export Bank. Yet it is fair to say that in the beginning there were a large number of people who did have reservations and, indeed, objections to the setting up of this bank. For my part over the last year I have slowly seen those reservations disappearing, as many people — let us say in the banking world, and in the merchant-banking world in

Spicer

particular — have come to clear up the misunderstandings that they may initially have had.

I think the view expressed by UNICE when they came before our committee — a general view expressed now by bankers — would run roughly as follows: they now accept that credit, insurance and finance for multinational contracts through one channel would inevitably simplify matters compared with the present system. Under the present system, each member of a multinational consortium conducts his own negotiations through indigenous institutions. That must be wasteful, it must be clumsy and in my view it must be wrong. Therefore I would agree with Lord Brimelow that the right answer is that we want to move to a conclusion on this, but there are of course areas of doubt, there are reservations still on many sides in this discussion, and what is required is that the Commission should certainly not withdraw their proposals, but that they should take them back to be reconsidered and amended.

If I may just make one final point, Sir. Sometimes when the suggestion is made that proposals should be taken back for reconsideration and amendment, that is a very happy way of suggesting that they are taken back, lost, and never reappear again. That is not my view. I think there are areas of doubt that must be cleared up, but my own personal hope — and that is why I have tabled an amendment — is that we can set a definitive date for these proposals to come forward again. I am attempting, with the support of my group, to say that we will not countenance a very long delay. Mr Baas has made it quite clear that he agrees with that view as well, and I think that will be the generally accepted view of this Parliament. We have been with this long enough. We have the proposals; they may need amendment, but for heaven's sake let's get those amendments down, let us have a reconsideration of views, and let us have them back before this Parliament at the earliest possible opportunity.

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

Mr Leonardi. — (I) Mr President, I too should like to say a few words on this proposal going back now to April 1976. It raised a number of doubts and before coming to be discussed by us here it went through several committees.

As a number of speakers have pointed out, one cannot presume to ensure absolute safety, completeness, perfection in a body such as that proposed by the Commission. Much of this must be achieved on the basis of experience. This is why the question we must answer is whether this body broadly meets the needs which we think should be satisfied. That is the ques-

tion that should be posed to a political assembly such as ours. And this is why I should like to explain the reasons of principle which induce us, the Italian Communists, to support the proposal — while reserving, of course, the right to criticize details of the project.

The fundamental reason why we are essentially in favour, is that in recent years the Community as a whole and its individual member countries have had to make an increasing effort to adapt to a profoundly changed world situation: there have been changes in the prices of raw materials, there have been changes in political and economic relations with countries whose situation at the time of the Community's creation was very different from today's. Hence the need for the effort I have mentioned: an effort on a scale we did not foresee, but which historic developments force us to undertake.

This process of continuous adaptation requires ever new instruments to be put into effect: we cannot hope to pursue new policies with old instruments. It has already been pointed out that opportunities are multiplying for large projects involving large investments and high risks which can only be tackled on a multinational basis. This basic situation affects individual Member States in different ways: for the smaller or weaker ones this effort of adaptation is particularly onerous, while for the stronger it is less difficult. But, in our view, one of the gravest dangers facing us is that individual countries, particularly the stronger ones, might think they are able to tackle these tasks single-handed in disregard of the profound changes going on in the outside world. I think many of the doubts and hesitations which the proposal aroused are not related to technicalities nor to justifiable fears, but reflect national attitudes, and particularly the illusion cherished by the stronger Member States that they can strive for privileged treatment from the countries undergoing transformation and that they can perform this effort of adaptation alone, with their own industrial and financial structures, with their own resources, so much bigger than those of their remaining partners; that then thus have no need of this proposed collective institution, within which they would be obliged to make allowances for the needs of the smaller and weaker ones as well.

This illusion of the stronger partners seems to me the fundamental reason for all the hesitations that have been expressed in various ways. It is a dangerous illusion not only for the weaker partners but also for the strong.

Here you have succinctly the reason why we are in principle in favour of the establishment of this new body, the proposal for which is open to a number of observations at the technical level.

Leonardi

Reading the various reports I realized that many of our colleagues would like to see a body that was complete and perfect in these technical terms. But do you think that when similar institutions were set up in the United States or Japan they were complete and perfect from the start? They were set up to meet certain definite needs and, under proper control, and in the light of experience, have come to fulfil their appointed roles. What we should be asking ourselves is simply whether in our present situation we have need for an institution of this kind.

The Commission itself in its document is at pains to emphasize that this is an initial proposal and for this reason is presented in highly restricted terms. For instance, the bank's mixed capital structure seems to be intended to provide maximum flexibility at a stage where it is still difficult to forecast the volume of business, while enabling both the Council and Parliament to have control over all the transactions. The body as now proposed certainly cannot be the final answer, but it does represent an innovation of considerable importance. It provides for a form of control — which admittedly can be by-passed, as all parliamentary control can — but which in terms of principles represents a step forward, because it subjects transactions of not only economic but also political importance to the control of bodies such as this Parliament.

Another comment that has repeatedly been made is that in effect all these tasks are already being performed by public and private bodies and that finance can always be obtained in the Eurodollar market. This is very true, but do you think it is altogether satisfactory? The Eurodollar market has been criticized in this House more than once, and rightly so, as a market over which there is practically no control. Those, therefore, who put forward arguments of this sort are either trying to shelve the issue or to preserve the *status quo*, to the benefit not only of the stronger countries but also of course, of the stronger business undertaking, including the giant multinationals which only a few days ago were discussed and criticized in this House. These undertakings, having at their disposal financial and operational resources adequate to the large-scale, high-risk projects, obviously have a great advantage over the smaller firms which, however, represent the major part of the economic structure of all our countries and which do need bodies such as that proposed by the Commission.

I shall not trouble to answer at any length the arguments of those who claim that the new body would be contrary to the principles of transparency or free competition, because such charges seem to me totally irrelevant in relation to this particular proposal.

In conclusion I repeat that the Italian Communist Party is in favour of this initiative, which in its

opinion needs to be further considered and discussed — but not shelved. Let us not try to delay its implementation by asking for too many refinements, because this would be sheer waste of time both for us and for the citizens we represent. Despite our general approval, we find we can support Amendment No 5 where, although improvements to the statute are requested, a definite time-limit is set, so that excessive delays and hence the inevitable shelving can be avoided.

President. — I call Mr Dalyell to present the opinion of the Committee on Budgets.

Mr Dalyell, draftsman of an opinion. — Mr President, at the end of his short and concise speech, my colleague Lord Brimelow came to the guts of the issue, which is: Should the European Parliament in effect kill this proposal? I started as a sceptic, but I must say that, to that question I would now give a definite 'no', as would the majority of the Committee on Budgets.

The Committee on Budgets has given serious consideration to the question of creating a European Export Bank. Indeed, with the committee's approval I sought to consult as wide as possible a selection of authorities in the export-credit sector, and I would like to take this opportunity of thanking officials of central banks and merchant banks and also individuals for the help that they gave the committee.

The aim of these contacts was to ascertain whether there was a general consensus on the necessity of the proposed European Export Bank and whether or not its functions should be undertaken by existing institutions, in particular the European Investment Bank.

Most of the respondents have welcomed the proposal, as they believe that a European Export Bank could contribute to solving the problems of export finance. Some made minor criticisms, but others, including one national bank, actually the Belgian, made a detailed and critical analysis of the Commission's proposals. These points were answered in detail by the Commission, and this dialogue was used as a working document by the committee. I ought also, perhaps to say, that my own thinking was influenced greatly by a long conversation with an old friend, Marcus Vianna, governor of the Brazilian National Development Bank, and also by the Governor of the Bank of Brazil, who outlined in some detail and with specific cases in mind how Europe was at a disadvantage with regard both to the United States and to the Japanese.

Basically, we believe that only the creation of a Community instrument could provide a catalyst for the harmonization of export credit, and in this connection we look at the disappointing, if not lamentable,

Dalyell

record of the Community and the advantages provided for other countries, such as America and Japan, through their excellent banks.

On the budgetary points, the Committee on Budgets welcomes the budgetization of the initial endowment. Indeed, it will be recalled that, in its preliminary draft, the Commission included 100 million units of account for the initial capital of the bank; but it was agreed to delete this and replace it by a token entry pending a decision on the setting up of the bank. The principle of budgetization, as for all Community borrowing or lending activities, should be reiterated. The Committee on Budgets has reasserted that expenditure arising from the Export Bank must be considered as non-compulsory. The amount for this capital should be decided by budgetary means — that is, through the budgetary procedure, and not by way of regulation. We regret that the administrative expenditure that would be generated by the setting up of an export bank had not been costed out, and indeed little idea of the administrative structure had been given. Now, I am bound to say that in my own conversations with Liliana Archibald, to whom a great deal of the credit for this ideal ought to be given, I was relatively happy myself on these points. In the view of the Committee on Budgets, the employees of the bank should be assimilated into the category of Community officials, and should be covered by the Staff Regulations of the Community.

It will be noted that the Committee on Budgets' conclusions do not coincide with those of the Committee on External Economic Relations, nor with those of the other committees consulted for an opinion. We did not hesitate to examine the substance of the proposal, because it is clearly the duty of the Committee on Budgets to consider the feasibility of new projects and to make sure that the European taxpayer's money is not wasted. In particular, it is difficult for the Committee on Budgets to accept certain paragraphs of the motion for a resolution, because we do accept the need to set up a European Export Bank. Furthermore, given that need, which is urgent, as Lord Brimelow pointed out, the committee could not accept any proposal that would result in yet further delays. It will be recalled that the consultation of the European Parliament took place on 17 March 1976. This proposal has been with us for a year. To send it back to the Commission now, accompanying it with a request for a complete re-examination of the central idea involved, would amount to the virtual killing off of the proposal.

Our views, expressed in the conclusions to the opinion of the Committee on Budgets, are as follows. Parliament should give a favourable opinion and further examination should take place at the technical

stage in the Council's working parties, where the exact nature of the functions of the bank could be examined. This clearly implies an acceptance in principle, and I speak as a strong convert to acceptance in principle. In the examination that the Commission will make of the Parliament's opinion, the Committee on Budgets would wish to underline the following points, which it considers necessary to ensure budgetary transparency with adequate financial control:

- (1) the full budgetization of expenditure and revenue arising;
- (2) the classification of the initial capital endowment and any other expenditure as not compulsory;
- (3) the determination of any appropriation by budgetary decision;
- (4) the presentation of reliable estimates for administrative expenditure;
- (5) the presentation to Parliament of the annual report of the finance activities of the bank;
- (6) the assimilation of the staff into the system governed by the Staff Regulations for Community officials.

The terms of Article 199 of the Treaty are clear; all revenue and expenditure should be budgetized. This means that Parliament will have some direct say in the controlling of that expenditure, and this in itself will give Parliament a say over the bodies and organizations set up to pursue policies such as a European Export Bank.

Mr President, I think I ought to say something about the amendments that Mr Noè has given us, and I think that, in doing so, colleagues will not take it amiss if I say how nice it is to see Mr Noè restored among us after his recent bout of sickness.

(Applause)

On Amendment No 1, Lord Brimelow and I would like to see the reference to 'the harmonization of the terms for financing and ensuring experts' taken out: we think that there are problems that arise with emphasis in this respect. On Amendment No 2:

Notes that, after extensive consultations between experts from the Commission and the economic circles concerned, not all the parties have agreed as to the need to set up a European Export Bank;

We don't think that is necessary.

Amendment No 3 we accept:

Notes that, in view of the fact that there are at present no clear terms of reference for the European Export Bank, no specific information is available on the possible volume of business of the Bank, thus making it impossible to estimate likely costs, and hence the amount to be charged to the Community budget;

This is true, and it is possibly a good thing to put this in.

Dalyell

On Amendment No 4 :

Calls, in the light of the above remarks, for the problems that are still unresolved to be reexamined and for the Commission's proposal to be amended accordingly ;

Lord Brimelow and I have no objection to this going in. On Amendment No 5, we again have no objection :

[This] should be revised accordingly and published in the form of a detailed draft statute as soon as possible, but not later than September 1977.

We think that Mr Spicer and Mr Klepsch have made a considerable addition by putting in a date.

With those few remarks, I bring the opinion of the Committee on Budgets to a close.

President. — I call Mr Müller-Hermann.

Mr Müller-Hermann. — *(D)* Mr President, Mr Martelli has already expressed the views of my political group. I just have two brief comments to make, directed primarily at the Commission. Firstly, I wish to reaffirm our support for the project and secondly I would reiterate our reservations.

My first point is that one of the Community's major and depressing problems is the — in some cases considerable — balance of payments deficits of a number of Community countries. We are all faced with the responsibility of solving and helping to solve this problem. It is a Community problem and no longer a problem between the Community or certain Community countries and the Third World and important trading partners. It seems to me that this is a task which the Export Bank proposed by the Commission might undertake to perform, even if other people claim that our present banking system is capable of dealing with it. In this respect we take an extremely positive view of the project.

A second point is the question whether the Commission can give us a speedy and satisfactory answer. This seems extremely doubtful to me. The fact is that there are still substantial differences between the Community countries on matters such as the promotion of exports, export financing and credit insurance. I would sound a warning against the illusion that a new institution will solve this problem. We must solve it first at national level and achieve faster progress than hitherto towards harmonization in these important areas. A new institution cannot do this alone. I urge the Commission — and naturally the Council too — to step up efforts to achieve this harmonization. Otherwise we shall be running the danger of attempting to tackle minor problems without making any progress on the key issues. This seems to me to be something which we are all concerned about in this Parliament.

My conclusion therefore is that the Commission should again give consideration to the doubts expressed by Parliament and the various committees

and — without taking too much time over it — submit a new proposal, together with a concrete proposal on the bank's statutes, in September and at the same time reply to the comments made on this subject from various quarters. I think that would be a possible solution and I am very thankful that all the groups have approved this suggestion that the Commission be asked to make a more concrete proposal by September.

On that note I should like to conclude.

President. — I call Mr Guldberg.

Mr Guldberg. — *(DK)* Mr President, I am not getting up to speak because I disagree with the representative of my group ; I am perhaps a shade more positive in my attitude but that is all. However, I am a member of the Committee on Economic and Monetary Affairs which adopted a fairly negative attitude to the proposal and I would like to take the opportunity of saying that I do not share this view. I would also say that, as a Dane, a number of observations which have already been made by smaller countries ought to be included among the arguments put forward. I had difficulty in understanding whether the rapporteur was actually for or against the proposal he was presenting. I do not intend to prolong this debate by seeking to explain the reasons for this, but I did notice that the rapporteur overplayed his hand, as it were, with his reference to blank cheques. This is in my opinion an exaggeration and I can only interpret it as an attempt to create more toing and froing than would otherwise have been the case.

I consider the proposal an improvement on the existing state of affairs and I see no reason for doubting the Commission's intentions. I feel that on the occasions on which we have had an opportunity of meeting the Commission it has in fact clearly displayed its readiness to remove internal discrimination between the various countries (a process to which this proposal will be able to contribute) and has clearly shown a constructive attitude towards strengthening our Community in relation to the rest of the world ; consequently, I cannot see that the objections that have been raised are sufficient to give rise to misgivings.

What does worry me a little however is the very detailed consideration to which this proposal has been subjected, and I ask myself whether it is right that we in this House should concern ourselves to such an extent with details and administrative matters as we have done, although this is presumably a reflection of our working procedure and perhaps a reflection as well of the fact that too often we are remote from political decision-making and end up considering a particular issue more from the purely administrative angle than is actually right and proper.

Guldborg

In truth, the fact of the matter is that here in the Community our economic relations with the world around us are beginning to reach a point at which we in this Parliament might very easily be obliged to deal with something far more fundamental than a few details concerning an export bank. We might well reach the stage at which the Community has to choose whether it is willing to salvage free trade in the internal market at the expense of its relations with the outside world. I refrain from using unpleasant words to describe the situation as it really is, although this is nonetheless the reality of the matter; however, one of the sound methods — incidentally, I very much share Mr Müller-Hermann's misgivings — of avoiding a situation of this kind is in fact to step up our exports and, this being so, I can see nothing dangerous about the policy instrument proposed here and would welcome Parliament giving it its unequivocal support.

It is possible that there are technical considerations in connection with the Investment Bank and it is also possible to consider investments as exports of services; I feel however that these are details and I do not intend to deal with them. I will confine myself instead to saying that, in my view, the risk of too much happening too quickly in this field and, for that matter, in the Community as a whole is agonizingly small.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Mr President, I must say it has been a great pleasure to me to listen to this debate, because I came here armed with a number of arguments in support of the idea of the European Export Bank, a number of arguments which I hoped would convince people who were putting forward counter ideas, that this was the right way to proceed. But after listening to the debate I can only say that I have been extremely heartened by the fact that support has come to the idea from every corner — a hemicycle, I suppose, doesn't have corners — from every angle of the House, and I can't remember an occasion in my brief period as a Commissioner when a proposal has in fact been supported from every point in the spectrum to the same degree as this.

I should like, however, to deal with a number of the issues which have been raised and also to go a little bit wider from time to time in the debate itself in order to try to put this proposal into the context of the issues that face us.

I would of course also like to begin by thanking Mr Nyborg and the Committee on External Economic Relations, who have drafted the proposal for which the Commission is seeking support. I would very much like to thank him for the work that he and his committee have done.

Clearly, there has been a strong view expressed from a number of quarters that we must move quickly and I agree very much with the pressure that has been put

on us from Mr Spicer and Mr Baas among others, that there should not be a long delay. I feel, however, despite what Mr Dalyell says about deadlines, that it would be very difficult for us to complete the necessary work by September, and I am always a little hesitant to adopt deadlines which, at the time that they are adopted, seem to me likely not to be fulfilled. So I would like to give the House an assurance that we do wish to move as quickly as possible, and we will aim for the end of the year. The work done by the committees of this House, and that done by Mr Nyborg this evening with his introduction as well as with his report will help us in that direction, and the encouragement which we have received from Members will also, I hope, speed us on our way.

The arguments, as I said a moment ago, for this proposal have been very well put during the course of the debate, and as the hour is late it would seem to me to be doing a disservice to those Members who have stayed, if I recapitulate them all now. I agree, of course, with the need to put Community companies on a more equal footing with those from other parts of the world, and that is one of the main reasons why we so much support this particular proposal. That is a theme which ran through the speeches of a number of those who spoke.

I also agree very much with the point about unemployment which was made first of all — although it was made by others as well — by Lord Brimelow. I believe that this is Lord Brimelow's maiden speech in the House, and if I was correctly informed, I would like to congratulate him on it, and to say that I accept certainly very much that particular aspect of his speech.

The proposal we have put forward must, I think, be seen not just in the light of putting Community companies on to a better competitive footing with those from the rest of the world.

It must also be placed, as indeed it is by this motion, in the context of our broader aims, and by that of course I mean the export credit rates in international trade and the harmonization of national export credits. The Commission remains firmly committed to harmonization of export credit insurance; it believes that this is absolutely essential, but as Mr Müller-Hermann said in the course of his speech, national practices do vary very considerably and they are deeply imbedded in the past. Indeed, export credits are, I think, as old as the Florentine bankers of the 14th century, and quite apart from the different traditions that have grown up over a period as long as that, they are of course also a reflection of the quite different economic situations in our member countries. Change is not easy and enlargement introducing a further variety in national practices has certainly made the initial approach of drawing up identical policies even more cumbersome than it would otherwise have been.

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Since 1973, therefore, the Commission has been trying to secure agreement on broad principles, leaving the individual national insurance organizations and their authorities to decide how to apply these principles through suitable national tests. Our working proposals have already been discussed widely with member governments, with credit insurers and with industry. We are now on the point of making a formal proposal to the Council of Ministers. I can assure the Parliament that the creation of the bank will not lessen our resolve to achieve harmonization and, indeed, as Mr Guldberg said in his speech, it may well help towards that end. I hope very much that this explanation of our approach will go some way towards reassuring Mr Müller-Hermann on the doubts that he expressed and that he directed to the Commission.

As to the export credit rate itself, I think there has been progress made on that front as well. The House will remember the discussions that took place at the meetings of a number of governments at Rambouillet and Puerto Rico, the opinion of the Court of Justice in the autumn of 1975 and the Commission's decision to start infraction procedures against some Member States in 1976. The result of these various factors was an agreement in the Council on guidelines for export credit terms, minimum interest rates, maximum length of credit and the maximum proportion of the contract price eligible for credit financing. This was the first major occasion on which the Community has adopted a clear position on the substance of export credit arrangements in a global context. The Community is now engaged in preliminary discussions with the governments of several other major industrial countries who have also adopted these guidelines with a view to negotiating the extension and consolidation of this extremely important agreement. Once again here is no conflict with the proposed bank, which will, of course, not add to competition because it will remain very much within the internationally agreed guidelines.

I should now like to turn to some of the specific points which have been raised in the parliamentary consideration of our proposal for an EEB.

The first point to which I would like to refer — and indeed it is one that Mr Nyborg drew attention to at the outset of this debate — is the lack of information about the possible scale of operations of the bank and its cost. I tend to feel that this is an inevitable lack at this stage in the operation, because we are dealing with the means of creating a new business and export opportunities which are very hard indeed to measure. We could, of course, have produced estimates that would have looked very accurate; there would certainly have been a lot of figures. But I doubt very much whether Mr Nyborg would have been taken in by spurious estimates of that kind and certainly I would not wish to be the one to try to take him in

that way. I do not think either that comparisons with the United States or Japan are strictly relevant on this occasion since circumstances there are so different: they are economic unities — I mean they are not political unities they are economic unities — whereas we, of course, are still only getting used even now to working together. We felt that it would be better not to put forward spurious estimates of costs, but rather to say that we will ensure the control of costs to that which seems to be correct in the light of the bank's needs and the needs of other priorities.

I know that it is unsatisfactory to answer a request for specific information with a general reply of that sort, but I do feel that at this stage it would be misleading to go further than I have done by putting forward more specific replies.

I would also like to say, in response to a point made by Mr Dalyell, that the Commission does believe that the bank's scale of operations should be established by means of the conventional budgetary procedure. I listened with great care to what he said on this point; there are, in the view of the Commission, a number of areas in which more work needs to be done, and this is certainly one of them. In doing that work we will take what he and others have said about this particular point very much into account. The important thing I think however is that the bank's scale of operation will be established by means of the conventional budgetary procedure and it is very much the Commission's desire that as much of the Commission's activities should indeed be covered in that way.

Another cause of concern is the question of whether a new body is needed or whether the European Investment Bank itself could undertake the activities proposed. The Commission quite understands the concern over the proliferation of institutions and gave very careful consideration to this point. We feel there are strong arguments against making the EIB primarily responsible and I welcome Mr Martinelli's support for this view and also Mr Leonardi's argument that we must adjust ourselves to changing circumstances and that changing circumstances sometimes require changing institutional structures. However, the Commission completely agrees that the Export Bank must not be allowed to cut across other Community policy. I do not believe, in fact, that that is a real risk. Indeed, I believe that the creation of the bank should make a positive contribution towards achieving the objectives of our policy in the commercial and other fields. The Commission's proposed limited rights of intervention in the management of the bank would help towards this end, as well as helping to ensure that the bank's operations were in full conformity with the Community's international obligations.

This, Mr President, brings me to a rather difficult point in my speech. As the debate progressed, it became apparent that there was, as I said earlier, a

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rather greater degree of support for the proposal before us than we had expected and than was perhaps evident in the motion for a resolution, and I wonder how best to conclude the debate. The motion for a resolution is, I feel, a little unclear and the Commission should regard the principle of the bank as having been agreed by Parliament. This was a point which was made by so many of the speakers that I hope I am not presuming too much, but it did seem to me that the principle was something that Parliament would wish to agree to. Now, as I said earlier, I do not want to jump to conclusions. We entirely accept that more work has to be done, but the work will have to be done as quickly as possible; we will aim for the end of the year. We will also keep Parliament fully informed and make sure that it has another chance to comment on the proposal.

In conclusion, I would like to refer back to something which Mr Baas said. He said that we should give the bank the vision of the Italians and the solidity of the Germans. Perhaps he will appreciate it if I say that I hope we may also be able to invest it with the pragmatism of the British and also with the eloquence of the French. Above all, perhaps, if it is to be successful, it will need the tenacity in defending its own interests against the depredations of other larger powers that sometimes do not wish to take account of them that some of the smaller members of the Community have recently had to display.

(Laughter and applause)

President. — I call Mr Nyborg.

Mr Nyborg, rapporteur. — *(DK)* Mr President, doubts have been raised in some quarters as to the committee's intentions. In my introductory speech, I said:

Even though our committee is in principle in favour of setting up a European Export Bank it cannot at the present time, on account of unsatisfactory answers received to date, advocate that the proposal be put into practice.

However, the committee has also stated that, in principle, it is in favour of the idea.

Several Members have mentioned that both the USA and Japan benefit from similar institutions. We in the committee are in fact fully aware of this — I would by the way say that of the arguments which we have heard here today, there are hardly any which we have not heard in committee more than once and dealt with in detail. — In the USA one currency is used, which is common to the whole federation, thus making the system relatively easy to operate. The same applies in the case of Japan; only one country is involved, as also one currency. In the Community, we have many currencies fluctuating in a constantly

shifting relationship to one another, etc., etc. No direct comparisons can therefore be made. Furthermore, widely differing interest rates apply in the Member States of the Community.

Mention was also made of organizations which were in favour of a European Export Bank, although little was said about which organizations were opposed to the idea, and neither do I intend to weary the House with a long speech at this juncture — after all, it is late and we should have had a meal-break long ago as far as I recall.

However, some members have voiced the view that I overplayed my hand on behalf of the committee by referring to blank cheques, since no such thing had been mooted and nor was it the Commission's wish. But this was the Commission's wish. When the Commission wishes Parliament to give an undertaking in advance to cover the cost both of setting up and running a new institution without beforehand giving us any idea of the amount involved and of the ceiling on expenditure, in my view they have asked for a blank cheque. We, in the committee, opposed this move and accordingly said to the Commission: please examine the various aspects a little more closely, then come back to us with some relevant figures, some proposals, some estimates, something tangible. Then we can start talking again.

I should incidentally like to point out that Mr Klein, a director at the Commission, also stated at a committee meeting that he understood the arguments put forward by the committee and that he accepted that further work needed to be done on the proposal. He agreed to come back to Parliament and say to us: we now have better information than we had previously and we can now submit something to you which you can all take with you back to your respective countries saying that you had a part in it — after all, we do also have a responsibility to those back home.

Finally, I would say to Mr Spicer, regarding the amendment specifying a deadline, that I view this as a very hazardous step: I feel that it is hazardous to say to the Commission: you must finish work by the end of September and then return to us with your proposal, since this gives the Commission the opportunity — this might event turn out to be the case — of coming and saying: here is the same proposal once again as we have not completed the work which is necessary in order to produce an improved proposal. I therefore feel that if anything of the kind is to be mentioned at all then the phrase 'as soon as possible' ought to be used. This matter is not the sort of thing for which one can fix a deadline.

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

President

I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

On paragraph 2 I have amendment No 1 by Mr Noè, aimed at the replacement of this paragraph by a new text :

- '2. Believes that the European Export Bank should make a significant contribution to the harmonization of the terms for financing and insuring exports and to the competitiveness of Community exports on the world market;'

I call Mr Noè.

Mr Noè. — (I) My amendment to paragraph 2 of the motion is intended to dispel any doubt as to what the European Export Bank's contribution would be.

Having said that, I should like to thank Mr Dalyell for his kind words and tell him that I have no objection to retaining that part of the paragraph which urges greater harmonization of national export credit facilities. If I did not include it in my amendment it is only because in the following paragraph, paragraph 3, the motion calls on the Commission to make representations to the national governments for the strengthening of its own competences in this matter. Implicitly this paragraph meets the points raised by Mr Dalyell. Nevertheless I confirm that I accept the text proposed by the rapporteur.

President. — What is the rapporteur's position ?

Mr Nyborg, rapporteur. — (DK) Mr President, this is something which was discussed very vigorously and in great detail in committee, and the committee took the view that it was right to instruct the Commission to continue to press for further harmonization; although these endeavours have been under way for a fair number of years without any conspicuous success. The committee wanted to take this opportunity of putting on record that the very fact that a European Export Bank was even being contemplated was not tantamount to an invitation to cease working towards harmonization. I feel that it was an excellent move to have this spelt out in this document and accordingly, as rapporteur, I cannot accept the amendment.

President. — I call Mr Noè.

Mr Noè. — (I) The idea just put forward by the rapporteur, Mr Nyborg, and indeed propounded earlier by Mr Dalyell, could constitute the second part of the amendment. If the House wishes to keep it, I agree. What I would ask my colleagues is that they vote for my amendment modifying the first part of paragraph 2 to make it more positive. After a semicolon, the wording of the second part of Mr Nyborg's text could perfectly well follow.

President. — Before I put Amendment No 1 to the vote, could you give an explanation, Mr Noè ?

Mr Noè. — (I) This could be done in two stages. First, the House could vote on my amendment in the version that has been distributed to Members, as this differs from the text submitted by Mr Nyborg. Afterwards we could vote on the second idea, put forward by Mr Dalyell and reiterated by Mr Nyborg, against which I have no objection.

President. — I call Mr Dalyell.

Mr Dalyell. — The suggestion of Lord Brimelow and myself was to delete lines 2/3 of Amendment No 1 : *the harmonization of the terms for financing and insuring exports and to.* So it would then read: *Believes that the European Export Bank should make a significant contribution to the competitiveness of Community exports on the world market.* I hope that clarifies it a bit.

President. — I call Mr Ajello.

Mr Ajello. — (I) I agree.

President. — We could therefore first vote on Amendment No 1 and then on the second part of paragraph 2.

I call Mr Ajello.

Mr Ajello. — (I) I am sorry, Mr President, but I think this point needs further clarification.

If we vote on Mr Noè's amendment in its present form we should also be voting on the phrase concerning the harmonization of the terms for financing and insurance. But Mr Noè's amendment should read as follows : 'Believes that the European Export Bank should make a significant contribution to the competitiveness of Community exports on the world market'. This means that the words : 'to the harmonization of the terms for financing and insuring exports and' should be omitted, because otherwise they will conflict with the part that immediately follows for which we are going back to the original text.

President — I call Mr Ripamonti.

Mr Ripamonti. — (I) I rise to confirm that I agree with Mr Noè's wording, which does not seem to me to conflict with the second part.

What Mr Noè is doing is making it clear that the European Export Bank, in addition to raising the world competitiveness of Community exports also represents a step towards harmonization of credit and insurance. In any case, as regards the first desideratum, the report itself makes it clear that the Export Bank by its

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activities will also help to harmonize the problems of credit availability and insurance. Anybody with a minimum of experience of multinational projects knows perfectly well that national measures sometimes present obstacles to the joint management of projects.

I would therefore ask that an addition be made to the text asking the Commission to continue its efforts to achieve harmonization. Besides, the following paragraph, paragraph 3, it is made clear that the Commission should strive for this and it is urged to strengthen further its powers in the matter.

President. — I call Mr Noè.

Mr Noè. — (*I*) Mr President, I think I can accept both Mr Dalyell's and Mr Ajello's proposals. This will considerably simplify matters and enable us to come to a conclusion.

President. — The proposal is therefore to delete from the amendment the phrase: 'harmonization of the terms for financing and insuring exports and to...' and to add to the amendment the second part of paragraph 2: The Commission must at the same time..... facilities.

Since Parliament has no objection to the oral modification of the amendment, I put Amendment No 1 so amended to the vote.

Amendment No 1 so amended is adopted.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

On paragraph 4, I have Amendment No 2 by Mr Noè:

'4. Notes that, after extensive consultations between experts from the Commission and the economic circles concerned, not all the parties have agreed as to the need to set up a European Export Bank';

I call Mr Noè.

Mr Noè. — (*I*) I withdraw it, Mr President, because I think Mr Dalyell is right in saying that it does not add anything new.

President. — Amendment No 2 is therefore withdrawn.

Mr Pisoni. — (*I*) I should like to explain my vote and at the same time urge Members to recognize that paragraph 4 in fact weakens the expression of Parliament's desire to see the Export Bank set up.

In order, therefore, not to weaken our proposal, I would ask Members to delete paragraph 4 from the text of the resolution.

President. — I call Mr Guldborg.

Mr Guldborg. — (*F*) Mr President, I entirely agree with the last speaker. This paragraph is absolutely superfluous.

President. — I put paragraph 4 to the vote.

Paragraph 4 is rejected.

On paragraph 5 I have Amendment No 3 by Mr Noè:

'5. Notes that, that, in view of the fact there are at present no clear terms of reference for the European Export Bank, no specific information is available on the possible volume of business of the Bank, thus making it impossible to estimate likely costs, and hence the amount to be charged to the Community budget';

I call Mr Noè.

Mr Noè. — (*I*) The aim of this amendment is simply to substitute the idea of difficulty for that of impossibility in the estimation of the bank's likely costs.

It seems to me more realistic to say that such estimates are difficult to make rather than to totally deny that they could be made.

President. — What is the rapporteur's position?

Mr Nyborg, rapporteur. — (*DK*) Mr President, I do not feel that there is any appreciable difference between the original text and the version proposed by Mr Noè in his amendment. I would therefore like to say that I have no objection to Mr Noè's amendment being adopted nor do I have any objection to letting the existing text stand as it is.

President. — I put Amendment No 3 to the vote.

Amendment No 3 is adopted.

I call Lord Brimelow.

Lord Brimelow. — Mr President, I should wish to make a reservation on paragraph 8, and therefore I hope it will not be taken together with paragraphs 6 and 7.

President. — Lord Brimelow is therefore asking for a separate vote on paragraph 8.

I put paragraphs 6 and 7 to the vote.

Paragraphs 6 and 7 are adopted.

I put paragraph 8 to the vote.

Paragraph 8 is adopted.

I call Lord Brimelow for a procedural motion.

Lord Brimelow. — Mr President, I did say I wished to express a reservation on paragraph 8, and you did not give me the opportunity of speaking before proceeding to the vote.

President. — I put paragraph 8 to the vote separately as you wanted.

Lord Brimelow. — I did say explicitly, Mr President, that I should have some reservations to express.

President. — I am sorry if there has been a misunderstanding, but the vote has now taken place.

Lord Brimelow. — Mr President, I must protest.
(*Cry of 'Hear!, hear!'*)

Mr Dalyell. — I think there has been a genuine misunderstanding, because I was certainly under the same impression as my colleague that we were going to be allowed to make our reservations.

President. — Lord Brimelow, you can still give an explanation of vote when the whole of the motion for a resolution is put to the vote.

Lord Brimelow. — Reluctantly, Mr President, I agree.

President. — On paragraph 9 I have 2 amendments :

— Amendment No 4 by Mr Noè :

9. Calls, in the light of the above remarks, for the problems that are still unresolved to be re-examined and for the Commission's proposal to be amended accordingly.

— Amendment No 5 tabled by Mr Spicer on behalf of the European Conservative Group, and Mr Klepsch, on behalf of the Christian-Democratic Group aimed at adding the following words to this paragraph :

... should be revised accordingly and published in the form of a detailed draft statute as soon as possible, but not later than September 1977.

These two amendments can be considered together.

I call Mr Noè.

Mr Noè. — (*I*) I withdraw my amendment, Mr President, and associate myself with the ideas embodied in Mr Spicer's and Mr Klepsch's amendments.

President. — Amendment No 4 is therefore withdrawn.

I call Mr Spicer.

Mr Spicer. — Mr President, I am in some difficulty on this amendment now. The Commissioner has explicitly stated — and certainly we would not wish to argue with him on this — that it would be quite impossible for any revision to be completed by September. So with your permission, and I hope with the full support of Mr Dalyell, we will not ask the impossible. I hope that this House would accept that *September 1977* should be amended to read *December 1977*.

President. — What is the rapporteur's position ?

Mr Nyborg. — (*DK*) I am prepared to accept the amendments.

President. — The proposal is therefore to replace 'September' by 'December' in the text of the amendment.

As Parliament has no objections to the oral modification of the amendment, I put Amendment No 5 so amended to the vote.

Amendment No 5 so amended is adopted.

I put paragraph 9 so amended to the vote.

Paragraph 9 is adopted.

I call Lord Brimelow for an explanation of vote.

Lord Brimelow. — Mr President, I need not detain the House long. I was not happy with the use of the word 'minimal' in paragraph 8 as applied to the right of intervention of the Commission. It seems to me that the Commission's interventions should be appropriate and well-judged, which does not necessarily mean that they should always be minimal. I would hope that, on occasions, they would be decisive. It seems to me that the right of coordination and political supervision which will fall to the Commission, should be exercised with due regard to the promptitude and commercial efficiency of the bank's operations. I would not wish the Commission in any way to abdicate those duties in accordance with the use of the word 'minimal' in paragraph 8. If I had been given the opportunity to speak, Mr President, I would have proposed the deletion of paragraph 8. It seems to me that this question of the scope of the Commission's intervention is one of the many problems to be given further study and to be the subject of recommendations from the Commission as a result of that study.

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, I would like to associate myself with the views of my colleague, and I think it is actually more than simply a pedantry. I suspect that the word 'minimal' was introduced in order to please those who were in some way critical of the proposal as a whole. Now, I think it is quite a serious matter, when we are discussing these things, to allow words in which, in fact, take away from the strength of the proposal. I go along very strongly with what Lord Brimelow said.

President. — I call Mr Guldberg.

Mr Guldberg. — (*F*) I think this is a mistake in translation because the word does not appear in the Danish text.

President. — I must say that no amendment aimed at a linguistic correction has been received.

I call Mr Dalyell.

Mr Dalyell. — I, like many others do not read Danish and if there really is a discrepancy in the text, could we have a statement tomorrow or the next day, at the convenience of the chair, as to what the position actually is? If Mr Guldberg is right — and I am sure that he is — this is a matter of some consequence.

President. — In any case, before the final text is published, any linguistic discrepancies between the different texts will be corrected.

Subject to this reservation, I put the whole of the motion for a resolution to the vote.

The resolution is adopted.¹

¹ OJ C 133 of 6. 6. 1977.

20. *Agenda for next sitting*

President. — The next sitting will be held tomorrow, Tuesday, 10 May 1977, at 9.30 a.m. and 3 p.m. with the following agenda:

- Vote on the urgency of the Walz motion for a resolution on licence fees
- Joint debate on various energy matters
- Statement by the Council and the Commission and Shaw report on the budgetary policy for 1978
- At 3 p.m.: Question Time.

The sitting is closed.

(The sitting was closed at 9 p.m.)

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IN THE CHAIR : MR COLOMBO

President

(The sitting was opened at 9.30 a.m.)

President. — The sitting is open.

1. *Approval of the minutes*

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

Are there any comments?

I call Mr Dalyell.

Mr Dalyell. — Mr President, I do not want to make mountains out of molehills, but as draftsman for the Committee on Budgets on the proposal on the Export Bank, and on behalf also of Lord Brimelow, who is the spokesman for the Socialist Group, I would like to ask whether some time today or tomorrow, at the convenience of the Chair, there could be a statement on the misunderstanding, which I believe is rather a substantial molehill, that has arisen on the use of the word 'minimal' in the resolution in English, which does not appear apparently in the original Danish text or in the Dutch text. As will be known to the Secretariat of the Parliament, there was a good deal of discussion on this late last night in relation to the Export Bank. It is a matter of some substance and, as both committees have gone to a great deal of trouble on this whole issue, it would seem sensible that it should be cleared up at your convenience today or tomorrow. Perhaps there could be a ruling from the Chair at your discretion.

President. — I know that Vice-President Meintz is already looking into this matter and has stated that linguistic difficulties will be dealt with as appropriate. At all events I take note of your statement, and I hope that will help to get this matter cleared up. I hope you find that answer satisfactory.

I call Mr Dalyell.

Mr Dalyell. — Thank you very much. I think it is a little more than a matter of semantics, because it is a point of substance, but thank you very much.

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

2. *Decision on urgency in respect of a motion for a resolution*

President. — The next item is a vote on the request for urgent procedure in respect of the motion for a resolution, tabled by Mrs Walz, on the need for innovation and research policy measures to be taken by the Community in the near future in those areas in

which Member States derive a low revenue from the granting of licences and have to pay substantial licence fees to third countries (Doc. 75/77).

I now consult the Assembly on the adoption of urgent procedure.

Are there any objections?

Urgent procedure is adopted.

I propose that this motion for a resolution be taken as the last item on today's agenda.

Are there objections?

That is agreed.

3. *Energy problems*

President. — The next item embraces:

- Statement by the Commission on the causes and effects of the accident on the 'Bravo' oil-rig;
- Continuation of debate on:

- Oral Question, with debate (Doc. 25/77), by Mr Jahn, on behalf of the Committee on the Environment, Public Health and Consumer Protection, to the Commission:

Subject: Pollution of the environment from energy sources

The passionate debate which has developed among the general public over the past few months suggests that adequate energy supplies

- (a) place a serious burden on the environment,
- (b) can have serious effects on human health.

The Commission is therefore asked the following questions:

1. How would it evaluate the level of pollution (expressed in figures) produced by new power stations using
 - (a) coal,
 - (b) oil,
 - (c) nuclear energy?
 2. Does it feel that the existing environmental protection measures introduced by the Community and the Member States in connection with coal and oil-fired power-stations (desulphurization, air-filters, etc.) are sufficient to meet present or future environmental and health protection standards?
 3. Is there evidence to show that present safety-measures in connection with radiation protection in existing nuclear power-stations are inadequate?
 4. What conclusions have been reached by the responsible authorities as regards the need for satisfactory disposal of nuclear waste?
 5. What practical measures does the Commission feel it should propose with a view to achieving the goal that all thinking people must desire of ensuring adequate energy supplies while at the same time providing proper environmental protection, and when are any such proposals likely to be made?
- with debate (Doc 29/77), by Mr Fellermaier, Mr Flämig, Mr Adams, Mr Brown, Mr Dalyell, Mr Edwards, Mr Ellis, Mr Giroud, Mr Kavanagh, Mr

President

Laban, Mr Lezzi, Mr Willi Müller, Mr Knud Nielsen, Mr Schwabe, Mr Seefeld and Mr Spillecke, on behalf of the Socialist Group, to the Commission of the European Communities :

Subject: Community Nuclear Power Programme

On 3 February, 1977, Commissioner Brunner issued a statement on the energy situation in the Community. Referring to the Community's energy guidelines for 1985 (laid down in 1974), he said that the target for nuclear energy of 13 % of the Community's energy requirements could not be reached and that a more realistic figure for 1985 was now only 9 %. He stated that at present in the Community there were

49 nuclear reactors in operation,
37 nuclear reactors in construction,
37 nuclear reactors planned.

On 14 March 1977, the administrative court of Freiburg (Baden-Württemberg) imposed a ban on the construction of the 1 350-megawatt light-water reactor planned to be built at Wyhl, on the grounds that a nation-wide catastrophe might result in the event of damage being caused to the reactor's pressure-vessel, which would result in the release of much radio-active material.

In view of the great public concern at present being expressed over the development of nuclear energy, will the Commission please state :

1. How far it considers the Wyhl nuclear power-station, if completed and put into operation, would constitute a threat to the safety of the surrounding region ?
2. To what extent would a ban on similar light-water nuclear reactors, at present under construction in the Community, further reduce the contribution which nuclear energy could make to fulfilling the Community's energy needs by 1985 ?
3. What additional reduction would be caused by the closing down of similar light-water nuclear reactors already in operation ?
4. In order to avoid an energy shortage in 1985 due to such a loss of nuclear capacity and given current targets for economic growth :
 - how far could energy-saving compensate for the loss of nuclear power, particularly as regards electricity generation ?
 - how far could alternative energy sources be found by 1985 from inside the Community and at what capital cost ?
 - how far would the Community's dependence on outside energy sources be increased and at what cost to the Community's balance of payments ?
5. To what extent do other types of nuclear reactor exist or are in the process of development, the risks of which are less than those in the Wyhl light-water reactor, and what additional capital and running costs would the operation of such power-stations involve ?
6. In general, how far does the safety and accident record of the nuclear-power industry in the Community and elsewhere over the last twenty

years inspire confidence as to the future public interest in continuing with this form of electricity generation ?

- Oral question, with debate (Doc. 31/77), by Mr Dalyell, on behalf of the Committee on Energy and Research, to the Commission of the European Communities :

Subject: Supply of nuclear fuels to the Community

In view of the importance of a secure supply of nuclear fuels for economic growth, employment stability and social progress in the Community, the Commission is asked :

1. Are the USA and Canada still supplying the Community with adequate quantities of nuclear fuel, or have they discontinued their deliveries ?
2. What repercussions would such a discontinuation have on the Community's nuclear-energy programme ?
3. Have such measures by these or other third countries involved breaches of existing agreements and contracts or have such agreements and contracts merely expired and not yet been renewed ?
4. What remedial action is the Commission proposing in the present situation ?
5. What conditions stipulated by the supplier countries must be met to assure the extension or renewal of contracts which have expired or are about to expire without giving rise to a monopoly situation ?
6. In the light of the prevailing situation, what common measures can and must the Community adopt immediately with a view to broadening the
 - scope of existing possibilities for the supply of nuclear fuel within the Community ?

- Oral question, with debate (Doc. 74/77), by Mrs Kruchow, on behalf of the Liberal and Democratic Group, to the Commission of the European Communities :

Subject: Community energy policy

In its communication to the Council of 30 September 1976, the Commission states that 'energy saving is cheaper than energy investment, which already absorbs some 25 % of the total industrial investment of the Community'.

1. Will the Commission state how it reached this conclusion ?
 2. Will the Commission draw up proposals making it possible to save energy without reducing the amount our societies need ?
- Report by Lord Bessborough, on behalf of the Committee on Energy and Research, on the proposal from the Commission of the European Communities to the Council for a regulation on Community financial measures to promote the use of coal for electricity generation (Doc. 45/77).
 - Oral Question, with debate (Doc. 106/77), by Mr Fellermaier, on behalf of the Socialist Group, to the Commission of the European Communities :

Subject: Disappearance of 200 tonnes of natural uranium

President

According to reports in the international press, 200 tonnes of natural uranium disappeared in 1968 while being shipped from Rotterdam to Genoa. Following this incident several Euratom officials are reported to have resigned.

1. Are these reports true?
2. Who was the original owner of the uranium?
3. What action has the Commission taken — including action in collaboration with the authorities in the Member States concerned — to clarify the circumstances of the incident?
4. Has the Commission established the whereabouts of the uranium?
5. What steps has the Commission taken and what claims has it asserted in order to recover the uranium?
6. Whom did it inform of the incident?
7. Why did it not inform the European Parliament, or its appropriate committee, if only on a confidential basis?
8. What conclusions has the Commission drawn with regard to staffing, technical and security arrangements in order to prevent similar incidents?
9. Have there been any other cases of this nature or of a similar nature?
10. What precautions has the Commission taken to prevent the recurrence of such incidents?

All these sub-items will be dealt with jointly.

I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (I) Mr President, the Commission has followed closely and with great concern the accident on the platform 'Bravo' in the Ekofisk field.

It notes that the incident occurred during production activities undertaken by a private company in an oil-field located in the area of the North Sea where the Norwegian authorities are responsible for exploiting the resources of the sea bed.

The Commission was concerned by the scale of this incident, whose serious consequences are still difficult to evaluate at this stage. The Commission is of the opinion that the Community should have powers and means of effective intervention in such circumstances as a reflection of solidarity between the Member States themselves and in their relations with third countries hit by a disaster of this kind. The Commission believes that protection of the seas is a duty for all countries belonging to the international community, in the interests of future generations.

In the Commission's view, the Ekofisk incident highlights the need for a more effective policy to combat pollution of the seas; the Commission has never ceased to strive for the achievement of such a policy. The sea is threatened not only by hydrocarbon products but also by a wide variety of waste materials discharged from the land and polluted forms of atmos-

pheric precipitation; the scale of these phenomena is growing. In addition to the legislative measures now in preparation at Community level, a whole range of practical action is also needed.

The Commission therefore believes that in the specific case of hydrocarbon discharge into the sea, it would be appropriate, in the light of experience gained during this recent incident, to adopt at the earliest possible opportunity certain measures which will be proposed to the Council of Ministers responsible for the environment, which is due to meet on 15 June next.

President. — I call Mr Flämig.

Mr Flämig. — (D) Mr President, I wish to put a procedural question. Our agenda indicates that this is a joint debate. We have decided to discuss jointly all the relevant items entered on the agenda. But if we now start taking each point separately there will be no joint debate. Would it not therefore be better to hear the Commission's answer at this stage on the other question, namely that of the lost uranium, and then open the joint debate? That would correspond to the agenda.

President. — Mr Flämig, I would remind you that this item is subject to the same procedure as was followed the last time.

Authors of questions will first make a statement on their questions, and that will be followed by a general debate, for which two hours are allowed.

During the debate each group will be allowed to speak, for the amount of time allocated to it, on any of the matters being debated.

I call Mr Dalyell.

Mr Dalyell. — Mr President, since Mr Natali has made a statement, will there be any opportunity for asking him factual questions on his statement at an early stage, because — and I do not mean this in a derogatory sense — there are certain things that are ambiguous and need expansion? Could we have an opportunity for factual questions, because the debate would be more meaningful if we could ascertain from the short statement — and it was a very short statement — exactly what the Commission does have in mind?

President. — You will be able to put all the questions you wish during the debate, and the Commissioner, Mr Natali, will give such answers as he feels are appropriate at the end of the debate.

We shall now proceed with this item.

I call Lord Bessborough.

Lord Bessborough, rapporteur. — I present my report to this Parliament and, as will be seen in paragraph 2 of my explanatory statement, nuclear capacity

Lord Bessborough

will in 1985 barely achieve half of the objectives set in 1974. Now this, Mr President, coupled with the fact that an environmental lobby is opposing the building of further nuclear power-stations and reprocessing plants — whether they are successful or not we don't know — and with the fact that it is estimated that North Sea oil is likely to run out by the turn of the century, that alternative sources such as solar, wind, wave and geothermal power are only likely to provide a small percentage of the Community's total energy requirements and that nuclear fusion is still far in the future, makes an increase in coal production of the very first importance.

The major producers of coal in the Community are, of course, the United Kingdom and Germany, smaller quantities being mined in France, Belgium and Ireland. The United Kingdom has reserves sufficient for at least 200 years' production at a rate of 250 million tonnes annually and the Federal Republic is estimated to possess 150 to 200 years' worth of coal at an annual production of 90 million tonnes. Coal is therefore still the Community's largest energy resource and currently amounts to 20 % of total energy supplies. The Community is faced now with the problem of improving indigenous energy production at a time when the depressed economies of Member States have led to a fall in demand for energy and therefore for coal. The age of plentiful energy is past and with it the logic that coal-generated energy should be set aside gradually on account of its labour-intensive character and the higher cost of coal-fired plant relative to oil-fired electricity generation. To a large extent the ability of the world's major oil-producers to determine ever higher prices for all has resulted in oil-generated electricity costing almost as much as coal-generated. Of course, nuclear-generated electricity retains its cost advantage but as I say, nuclear energy is not coming near to meeting its target.

Your committee recognizes the environmental problems which can result from the production and utilization of coal. It nevertheless feels that with careful planning and in modern mines with modern equipment the environmental disadvantages — this 'dirty job' as it is called — can be reduced to a minimum.

The purpose of the present proposal is therefore to promote the use of coal in electricity generation, and on behalf of the Committee on Energy and Research I commend it to this House. It is an endeavour to place coal on its own, on a competitive level with oil, by applying Community funds to support the difference in capital cost of coal plant over oil plant, which is estimated at 20 %. To do so, Article 235 of the Treaty is invoked. It is proposed to make non-repayable grants totalling 500 million u.a. over 15 years to Community electricity producers. The grants would be made available on a case-by-case basis to cover 30 % of that part of capital investment which contributes directly to the installation of the plant capability to burn coal.

Three types of investment are envisaged: the construction of electricity-generating installations capable of operating wholly on coal as a primary fuel; secondly, conversion of installations incapable of operating on coal to enable them to operate wholly on coal as primary fuel; thirdly, modernization of generating installations which are more than 25 years old in 1980 in order to make them capable of operating on coal as a primary fuel. In any one year the maximum expenditure will be 50 million European u.a. This commitment, I would emphasize, is complementary to, and indeed supplements the aids available under the European Coal and Steel Community Treaty and through the general loan facilities of the European Investment Bank. As the proposed aid is expressed in European units of account, its value is to a certain extent protected from inflation and this, like the Committee on Budgets, your Committee on Energy and Research approves.

The Community will retain a sanction over the beneficiary undertakings in that 70 % of the total grant will be paid in seven equal instalments after completion of the project. It would, Mr President, undermine the objective of the Community's policy to promote the use of coal if the installation for which this finance is being made available were to possess capability to burn other hydrocarbon fuel. Those enterprises, of course, which wish to insure themselves against industrial action affecting coal supplies should take appropriate measures by investing in nuclear equipment. Let those who gain their livelihood by mining coal understand that here there is a positive measure by the European Communities to secure that livelihood. It is one of a number of measures the Communities are taking to enable a stable market and therefore stable labour conditions to exist. I hope in consequence that we can count on stable production. Coal stocks stood at almost 29 million tonnes at 28 February this year. These stocks will be the subject of other proposals. This fact emphasizes the importance of the proposal to promote the use of coal in electricity generation.

Finally, Mr President, I would say that the present proposal has the unanimous approval of the Committee on Energy and Research and also the approval of the Committee on Economic and Monetary Affairs and the Committee on Budgets. We believe that at least 20 % of the proposed aid should be allocated solely to electricity suppliers committed to the use of Community fuel. To this end the committee proposes, as you will see, an amendment to Article 5 of the proposal. We strongly believe that the use of Community coal, rather than imported coal, should be emphasized and that priority should be given to the use of Community coal, although we still envisage some cheap coal being imported from outside the Community.

Mr President, I commend this Commission proposal to this House.

(Applause)

President. — I call Mrs Kruchow.

Mrs Kruchow. — (DK) On various occasions since 1973, the Commission has produced comprehensive reports, not merely on Member States' energy-supply problems, but also on the world situation and growing difficulties in the industrialized countries. The Commission's communication to the Council of 30 September 1976 states that energy savings are cheaper than energy investments, which already account for 25 % of the Community's total industrial investment.

Can the Commission put forward proposals for saving energy without reducing the energy resources our society needs? As was stated during today's debate and at the last part-session, the Community is very dependent on imported energy, and although agreement was reached in 1974 on common energy-policy objectives, very little progress has been made as regards dependence on imported energy and oil. The Community is scarcely less than 50 % dependent on them for the time being. Despite hopes of an increased use of sources of energy other than oil, oil will continue to be our main source of energy for some time. It is estimated that the Community will need 12 million barrels of imported oil a day in 1985; today we import 10 million barrels. These additional amounts are to come from the Middle East and in particular from Saudi Arabia. It is, however, most unlikely that Saudi Arabia will increase its production or that we shall increase our imports as estimated. It is therefore essential to know how the Commission thinks regular and important energy savings can be made in industry, public administration or private households without seriously reducing our standard of living.

The Commission's communication to the Council states that energy savings are cheaper than energy investments. We must therefore have a satisfactory answer if at all possible. Let us have more and more detailed information than we have had so far on how that conclusion was reached in the communication on energy savings and on what large-scale energy-saving measures can generally be introduced in the Member States. It is not enough to know, as we have done for several years, that we have taken the wrong turning: we must force ourselves to change the direction we have taken.

President. — I call Mr Prescott.

Mr Prescott. — I think all Parliamentarians at some stage, Mr President, after the debate yesterday have an understanding of when they might come on and then begin to write the speech for that occasion, only to find yet again that it's not that way; so I shall attempt, in what is an extremely difficult exposition of a difficult problem, about which there is little confirmed

information to put before this House an express view about a development on which there has been considerable press speculation this week and of which this House should rightfully concern itself with ascertaining the facts.

We are concerned about press accounts of the disappearance of 200 tons of uranium fuel. It is said, of course, that without the process which transforms it into nuclear technology it may in itself be harmless, but it has been pointed out with justified concern that this amount of uranium ore can be converted into something like 30 nuclear bombs. This circulation of raw materials in ever-increasing amounts around the world naturally causes considerable concern. It is the responsibility of this Assembly to ascertain the facts, and indeed to ask the Commission to give us a statement in order that we may make a correct assessment of the allegations made in the press.

This is important for a number of reasons. One is that the world decided through the United Nations to establish an international atomic energy agency, based in Vienna, in which all movements of such ores would be controlled by international legislation. All movements of such ores from one country to another were to be reported to this agency. Naturally this was a requirement for very understandable security reasons. The Community requested a derogation from this responsibility, arguing that it did not want to report movements of such ores within the Community to the United Nations, apparently for the reason that Russia and other Eastern-Bloc countries were members of the United Nations. It was decided, as I understand it from the documents I have been able to get, thanks to the information services of this Parliament, that we should therefore report all movements of uranium ores to Euratom.

What is at question here today is whether the procedures and controls imposed by Euratom are sufficient to guarantee the security needed in the movement of such ores. I note in the Official Journal of the European Communities a Commission Regulation (Euratom) dated 19 October 1976 concerning the application of the provisions on Euratom safeguards. It is made clear in this document that the agreement contains an undertaking entered into by the Community concerning the application of safeguards to source and special fissile materials on the territory of those Community Member States which have no nuclear weapons of their own. This makes it clear that we have a direct responsibility, and giving that assurance in treaty form, presumably at that stage in 1976, so many years after this incident, may well have more to do with reassuring people like America, particularly as she has apparently agreed, from what I understand of President Carter's statements, to provide enriched

Prescott

uranium to European countries. It therefore is all the more essential to assure the rest of the international community that the institutions we have set up on a European basis are equal to the task of controlling the movement of such ores.

I am bound to say that if we are to believe what is said in the press, and, indeed, statements by officials of these organizations who are not employed by these organizations at present, about an incident in 1969, of which, I believe, so far there has been no denial, then there are considerable grounds for concern as to whether our checks and controls are sufficient to meet even that obligation which we entered into with the United Nations to control such movements in the European arena. It is true that we are increasingly concerned about the movement of such ores, particularly with the development of nuclear technology and the proliferation of nuclear weapons which we have seen and which is highly critical at the present stage in world affairs. The implications, therefore, of this incident are important. It is for us — and particularly this Assembly, which has representatives from all the nations in the Community — to establish in our own minds whether we should not bring in further changes in order to satisfy ourselves that such an incident, supposed to have taken place in 1969, will not occur again.

I do not wish to reiterate published explanations of what this incident in technical terms is about, but the principle involves the movement of some ore bought by a company in one of the Community countries (in this case Western Germany) from another country (in this case Belgium) and sold to another company in another country (in this case Italy) of the Community. Three Community countries, therefore, namely Western Germany, Belgium and Italy, are, as I understand it, all involved in one way or another, whether through the activities of companies or the registration of ships, in the incident. It is assumed that this cargo disappeared, but no one is saying publicly where the cargo went. The ship is still about, apparently; the press was able to find out where the ship is now, and even showed photographs of it in the British papers. Admittedly, it has changed its name and ownership, but that is one of the peculiar features of this incident. It is quite clear, however, from the statements that have been made, that a number of European companies have been involved in the transfer of uranium outside the existing control regulations.

Secondly, when the incident was discovered and reported to the Euratom control, the intergovernmental agency responsible, they themselves did not apparently have sufficient resources to find out where exactly this cargo went, even though they had the responsibility to record where the ore was purchased, where it was being delivered, and to ensure that it was passing into responsible hands. In this case, it seems

that a cargo goes from A to B, the Euratom body which has the responsibility sends inspectors to find out where the vessel went, and they can find no trace of the cargo. Now, quite frankly, however we look at that — and this is not denied, I think, by the Commission — there are missing resources, there is a breach in our obligations and responsibilities under these Treaties, and what this Assembly should be demanding to know is: how far has the Commission gone in ascertaining where the cargo went? There have been speculations that it may have gone to Israel and also that it may have gone to an Arab country. I do not seek to make that political point as to where it went. The real responsibility of this Assembly is that it disappeared, and the body that is given the responsibility to investigate has some direct responsibility to report to this Assembly.

Now I have attempted to look into the responsibilities of these commissions to the Assembly. Under the Treaty, as I understand it, the Euratom Commission has the responsibility to report to the Council of Ministers and give an annual report to this Assembly. Now, of the annual reports that I have tried to look through, unfortunately only one is in English and two are in French — I am doing my best to learn some French, but unfortunately I am not able to give them the proper examination. But it does seem quite clear that no mention was made of this incident in any of the reports to this Assembly. What we would like to know is: was any mention of this incident made to the Council of Ministers? If the Council of Ministers did receive a report, presumably it was given in secret. If the Council of Ministers were not given the information, then quite clearly the issue is: who made the decision that the incident should not have been reported, either to this House or to the Council of Ministers? Now clearly that would be a political decision, however we look at it, made by a body that is not, in any way, democratically accountable and which should be under an obligation to give some kind of statement to this House.

Now, it is true — and I have some sympathy with Euratom in this — that they may not have the resources, in a devious operation like this, to find out what happened to the cargo. So they appealed, as I understand it, to the intelligence agencies of the various countries involved who, they believed, has the resources to be able to make the investigation. Now, if those intelligence organizations then made a report, to whom did they make the report? — to the individual States, to the Euratom Commission? — and having received that report, who made the decision not, in fact, to make any public disclosure about this matter, a matter which involves a breach of the responsibilities of this House, the responsibilities of the Euratom Commission and the responsibilities of Europe, under its Treaty obligations, to the United Nations?

Prescott

Now what I am seeking to find out, and what my group wishes the Commission to make clear, is: can they tell us whether there was a cover-up by security agents, by the intervention, possibly, of certain states in this case, at a time when the incidents in America in 1969 and 1970 left a lot to be desired, as we have found out in the last few months? Did somebody make a decision that, although they knew where the cargo went, for political reasons, they were not going to disclose it? If so, that is a decision in breach of the obligation on every nation under the Euratom Treaty, and what the Commission have a responsibility to do today, on behalf of the Euratom Commission as signatories to the report to this Assembly, is to make clear to this House exactly what the facts of the situation are. My group and I will listen carefully to what the Commissioner says. We believe, quite frankly, that a committee of this House should investigate the circumstances of this incident. An American Senate committee is looking into the intelligence activities of its own organization in this affair. The very least that the first democratically accountable body, namely this Assembly, should do is to investigate the facts. We cannot simply leave it to the Commission to make this kind of decision. It is our responsibility now to investigate ...

(Cries of 'Hear! hear!')

... to ascertain the facts and to assure the world that the controls that we impose on the movements of ores are adequate and are subject to democratic accountability. Do not let us have Watergate overtones in a matter of such an essential nature. I hope the Commission can assure us here this morning that they can tell us exactly what happened in the affair, and how it will be prevented from happening again.

(Applause)

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — *(D)* Mr President, I shall begin with a brief answer to Mrs Kruchow's question. I take it that we shall be able to look more closely in the debate at the subject of energy-saving and coal — I am grateful to Lord Bessborough for raising. I shall be brief because I want also to consider the matter raised by Mr Prescott, which also relates to the Socialist Group's question.

On the subject of energy-saving: we have set ourselves an ambitious target. We have said that we want to save 15% on our energy consumption by 1985. To some extent this energy can be saved without new investments. This is particularly true if we maintain correct speeds in our motor-vehicles, and also decide to travel to work together wherever possible, so that not every car taking people to work in the morning has only one passenger. These are all possible measures which cost no extra money and would in fact save money.

We have made a number of recommendations to the Council of Ministers. They were adopted by the Council in May 1976. There were five recommendations in all, relating to the more economical use of energy, e.g., the improvement of road transport and the more rational use of motor-vehicles. But we want to do more in this area. We cannot be content with these recommendations alone. We must now issue directives as well.

Other measures are also possible, and Mrs Kruchow rightly pointed out that they will cost money. They include the insulation of old buildings and the development of better thermal insulating materials for new buildings. They include every single measure capable of contributing to better thermodynamic efficiency. These measures all cost money. But the expenditure is justified because in the long term it results in energy savings and reduced dependence on oil imports. It is also worthwhile because it may lead to the creation of new jobs. We have calculated that simply by introducing a rational thermal insulation process it would be possible to create 700 000 jobs in the Community by the mid-80s. That is particularly important under the present conditions.

I believe that we can look at the details later on in the debate, if Mrs Kruchow agrees.

My I turn now to the questions by Mr Prescott and the Socialist Group?

Let me make it clear from the outset that these matters should be discussed in a calm frame of mind. Unless we do that it will not be possible to determine the facts and the legal situation clearly. But we must do so especially as these events occurred in 1968 — that is to say, several years ago. We must therefore look carefully at the situation as it was in 1968, and I want to draw a distinction between the facts and the legal situation as it then was. You are all pretty familiar with the facts from newspaper accounts: in 1968 a German firm, ASMARA—Chemie of Hessen, acting as agent for a client which it did not name, ordered 200 tons of oxidized natural uranium from a Belgian company, the Société Générale des Minéraux Belges. These 200 tons of oxidized natural uranium were purportedly to be used for were purportedly to be used for the manufacture of catalysts in the petrochemical industry. The declared purpose was thus non-nuclear. The material was to be processed by an Italian company, which is why the 200 tons of natural uranium were to be shipped from Antwerp to Genoa. After some time, in answer to enquiries by the Commission's services, the Italian company reported that the material had not arrived. The Commission's services then informed the responsible security departments in the three countries concerned, which set up an investigation. At the same time the Commission

Brunner

informed the Council of Ministers, through a confidential communication to the permanent representatives. Later, when the ship was traced, it was established — not by the Commission but by the national criminal police services to whom the case had been referred — that the ship's log-book did not contain the pages relating to this voyage. It was further found that the crew had changed and that the vessel was sailing under a different flag than when it had put out from Antwerp. It was then established that oil had been poured over the pages of the engineroom log-book relating to the voyage; an attempt was made to read these pages by applying chemical agents to them. The 200 tons of natural uranium were not found again; those are the facts.

(Laughter)

You can laugh if you like, or say that this is a disastrous security system. That is the impression that some people are trying to give ten years after the event. They are making a big mistake

(Interruption: 'The authors of the question certainly are not.)

. . . No, the authors of the question surely are not. How could I suppose that they are?

The fact of the matter is that at that time the transport of this material was not governed by any particular safety precautions anywhere in the world. That was the situation at the time. Oxidized natural uranium is not a material from which a bomb can easily be constructed. Let us not delude ourselves! Recent discussions have left me with the impression that some people believe that any fourteen-year-old can knock a bomb together at home simply because he lives near a light-water reactor.

Let us keep these matters in their true perspective. The material concerned was not plutonium or highly-enriched uranium, but simply mineral ore. All right then. Transport of that ore was not subject to any security regulations anywhere in the world at that time. The problem was not one of safeguards within the meaning of the non-proliferation pact, but in reality a problem which was not felt to be important until much later: that of protection in transit and protection of installations.

In technical parlance this is called physical protection. The need for greater physical protection was only recognized much later, some time after the entry into force of the non-proliferation pact. In this particular instance the Commission's services, with the modest means at their disposal, functioned extraordinarily well, because they detected the loss of a material which was not subject to special controls at the time. They did everything that was necessary. The informed the national security authorities who were responsible for investigating such incidents. The national security

authorities were also successful within certain limits. They were able to reconstruct the course of events in some detail and then notified the Commission of their finding; but they demanded strict secrecy and gave no information in writing. In order to reach a verdict on the whole incident, I think we must now look again at the legal situation as it then was, because I believe that Mr Prescott's remarks, which are useful in that they draw attention to certain areas where there is room for improvement, also introduce a measure of confusion, perhaps through a lack of legal information.

Firstly, the non-proliferation pact was not yet in force at the time, i.e. in 1968. All the controls accompanying that pact did not therefore apply. Secondly, the Vienna Atomic Energy Agency, a UN body, existed but did not have any very considerable or extensive control system. Thirdly, Euratom was not competent to deal with the inspection of transport on the high seas. At the time, transport and intermediate storage were not included in the Euratom control system. In other words, the system prevailing at the time was fairly rudimentary and the special aspect of physical protection had not yet received much attention.

Let us not then make the mistake of viewing events of 1968 from the standpoint of the situation as it is today. It would be quite wrong to do that. The fact is that, given the legal situation as it then was, Euratom functioned remarkably well. The Euratom control system is probably the most complete in existence anywhere in the world. I wanted to draw Mr Prescott's attention to that.

If you say that this control system is worthless, I can only answer that you are mistaken. In Europe, with Euratom, we have approximately the same number of inspectors responsible for inspecting and controlling civil installations in the nine Community countries, as the Vienna Atomic Energy Agency has for the whole world. Let no one, therefore, try to tell me that our system is not thorough. The system was already good when this incident occurred, and it has since been improved substantially. At the time, the system was not responsible for following and controlling transport incidents on the high seas. Nevertheless, the incident was detected and the necessary measures were taken. We do not have any police officers. You cannot expect Euratom to open detailed investigations in such cases. I know that you did not say it should, Mr Prescott, but I must explain the situation — I shall be coming to the report in a moment — because I am not only there to reply to your points — and I know that you have no intention of criticizing me today, or the Commission or even the system as a whole — but also to analyse the whole matter in detail, because we shall otherwise give a mistaken impression to the public.

Brunner

The system detected the incident, as I said, and undertook the necessary action. The question might well then have arisen — perhaps it did arise — as to the extent to which the Parliament could be informed. That could certainly not have been done in the general report presented by Euratom to the European Parliament on its activities. You will understand that if these security problems are given detailed publicity, the only result will be a loss of security. If you describe such occurrences in detail, you simultaneously draw attention to the loopholes, and people who are only too keen to use the loopholes will learn a great deal about them through publication.

To some extent that applies to our debate, even after so many years. I should like to report to you on the innovations which we have made, but hope you will bear with me if I do not do so in detail.

We might have considered at the time — and perhaps did so, I was not there to know — whether the President of Parliament or one of its bodies could be informed confidentially. Politically that would certainly have been desirable; but I do not wish to criticize the people who decided otherwise, and I shall tell you why. The second stage of the affair, the enquiry, was conducted by the national security authorities. From that point on the whole matter was no longer a Euratom secret, because the investigation into the incident was certainly not, in law or in practice, something for the European Communities to carry out. Here the difficult question arose — or so it seems to me with hindsight: can a secret which is not one's own — namely the investigation by the national security authorities and the results achieved by them — be divulged? That is a very difficult question to answer

Mr Fellermaier. — (D) Commissioner, if you had to take a decision today in such a situation as the Commissioner responsible for nuclear questions, would you give confidential information to some body of Parliament, as is the practice at national level between governments and parliaments?

President. — Mr Fellermaier, the next time you wish to speak I should be grateful if you would first ask the Chair for permission, so that the Chair can have the pleasure of granting it.

I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, with your permission I shall answer Mr Fellermaier's question. In a similar situation today, I would approach the Member States whose criminal authorities were conducting the investigation, and I would ask them for authorization to make a verbal statement, with no written record, to a body of Parliament in complete confidence and under very strict

secrecy. But I can give you no guarantee that the national authorities conducting the investigation would say to me before its completion: yes, you may give that information. And if they refused such authorization, I should have to examine the legal situation most carefully, because we are then on shaky ground. The fact is that I should be giving confidential information on a matter for which the Community itself is no longer responsible. I presume that the Commission was faced with the same situation back in 1968.

I am therefore inclined to say:

Firstly, the system worked — the loss was detected.

Secondly, the national security authorities were not completely successful. They were not able to find where the uranium had been landed.

Thirdly, we learned a lesson from this incident. How did we learn?

From that time on, we included both carriers and intermediate handling agents in the Euratom control system, and a supplementary regulation on the matter was issued with the approval of the Council of Ministers. We also learned a lesson because transport movements had from then on to be reported in advance, instead of after the event, to the Euratom controllers. There, too, we learned. And I should like to make a further point which was not known previously to you.

A few months after the incident, the same intermediary, ASMARA-Chemie of Hessen, ordered 200 kilograms of natural uranium from a different firm. The Euratom control authority noted this order. The material was on its way to ASMARA-Chemie and the Euratom control authorities demanded its return to the consigning company. In other words, no further deliveries were made through ASMARA-Chemie. That is a further development. This was a second incident, with different material, and the Euratom control system reacted effectively and with great speed.

A word now about the two officials who were involved in this matter at the time. They were both Italians, Mr Cancellario d'Alena and Mr Jacchia. Both of them behaved honourably and proved their worth in this matter.

The suggestion that they left the Community services in connection with this incident is absolutely untrue. Neither of them left until several years later and they did so for personal reasons; afterwards they became very successful and respected figures. I think we all owe it to them to say that publicly here.

I have told you what happened, and I repeat that we must make a careful distinction between the facts of the case and the legal position. We must look back over 8½ years. At that time conditions were different everywhere in the world, but a lesson was learned. In my view, however, we cannot learn enough about

Brunner

these matters. That is why it was a good thing for this question to be put. You see, we cannot learn enough because we still need common Community norms for the protection of installations — for physical protection.

We have tried to gain acceptance for such common norms in the Council of Ministers, so far without success. These matters are still dealt with solely at national level.

I am not, of course, asking for Euratom to have its own police force and security authority. But it would be desirable for our standard security norms to be harmonized and accepted by the Council of Ministers as minimum norms for all the Community countries. That would be a step in the right direction. If all this were to result in an impetus for action by us in the Commission and by the Council of Ministers, that would be a most welcome development.

(Applause)

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

Mr Flämig. — *(D)* Mr President, we are holding a joint debate on six different topics, ranging from the accident on the Bravo oil-drilling platform to environmental pollution, lost uranium, security problems, common energy policy and even coal policy — all matters which involve many problems and opposing views. Which of us politicians could stand up and say: all this is clear to me, I can see no problems, I have no questions to be answered? In reality, the wide variety of the topics under discussion in this joint debate shows that the energy-policy problem has to be considered from many different angles.

For us, the first problem is that no political decision can be taken on energy policy without reference to the technical factors and influences. A modicum of technical knowledge would be desirable, but the situation can only be clarified in reality by the experts. Let me illustrate this by an example: Commissioner Natali said that the Community must take action and would seek advice before doing so. This is enough to show the helpless position of the administrative apparatus, if I may put it like that, and the unavoidable constraints. When the green light has been given for a particular technical development such as drilling in the North Sea, technical risks must obviously be taken into account. And when a decision is taken to build a nuclear power-station, effects, risks and problems right through to the question of waste disposal must be allowed for. One of my colleagues will be giving our views on this incident in the North Sea. I just want to say this: when we hear that a valve was wrongly fitted, that raises at once the question of the need for proper technical supervision of such dangerous installations. It probably also raises the legal question of liability. Europe's tax-payers must not be expected to foot the bill here.

Mr Brunner's remarks provided us with another example of political decisions and effects in the energy-policy sector. Mr Brunner, may I, on behalf of the Socialist Group, thank you first of all for the frankness with which you replied. It takes some courage to say that we have to learn and have indeed learned...

(Applause)

... You say that we should look at these matters calmly. Mr Brunner, we are willing to do so. We know that the non-proliferation pact was not in force at the time and we know, too, that uranium oxide is not in itself a bomb, because you explained to us in an earlier statement how enormous installations and electricity consumption are needed to enrich uranium. Remembering that in 1968 only the gas diffusion method was used and that there were not yet any gas ultra-centrifuges or separator nozzles, it is quite clear that no bombs could have been produced at that time with the uranium oxide. Today, however, the situation is quite different, Mr Brunner, and you have not yet had occasion to go into one aspect of it, although you will perhaps do so later in the debate: why is this incident suddenly being made so much of nine years later if the facts are as you described them? Who is making so much of it and who are the intended victims?

We want the security provisions to be strictly respected; we owe that to the citizens of Europe. You say that joint norms are necessary, and we agree; we hope that these joint norms will be worked out very soon, since the risk potential in the whole circuit of enriched and fissile material is far too great for any loopholes to be left.

My position on the first problem is that there can be no political decisions in the energy policy sector without technical feedback. Mr President, the second problem is that the experts contradict each other. I remember being told that offshore oil drilling was safe, because everything was fully under control. But then a major accident occurred in the Gulf of Mexico; there was a big fire, and an American expert had already said before the North Sea accident occurred: it was bound to happen one day. The experts are always telling us that nuclear energy is safe in environmental terms and brings no problems, unlike coal and oil, which liberate sulphur, etc., into the atmosphere. Later we learned gradually — we, too, are learning all the time, Mr Brunner — that crypton and argon, xenon and strontium and even tritium in the fusion process are released, while there are also problems in that the cooling-water temperature is raised. The experts therefore contradict one another, and it is very difficult for us as politicians to find out the real truth.

The third problem is that energy policy cannot be viewed in isolation from social policy in the broadest sense, including social security. There are problems

Flämig

here, and we shall be going into them in the course of this debate — Mr Giraud will be speaking on them. To what extent do we need economic growth to maintain our standard of living? To what extent do we need it to perform our social tasks in the European Community? To what extent do we need it to meet our obligation to assist the third world and, in particular, what links exist between economic growth and energy supplies? What are the constraints in this area?

Problem number four is that energy policy must be viewed globally and cover a long period of time. Energy supplies must not merely be secured for a few years; our grandchildren and great grandchildren are also entitled to adequate supplies of energy to maintain their standard of living.

Our grandchildren and their children are entitled to find adequate supplies of hydrocarbons, coal, natural gas and oil for their pharmaceutical and chemical industries. We must not have depleted those supplies beforehand.

Problem number five is that Europe is not self-sufficient. It cannot be self-sufficient, however much oil is brought out of the North Sea and however many coal-fired power-stations are built and additional coalmines opened. This means that we are inevitably faced with the task of reducing the dependence of the European Community, the dependence on OPEC oil and the dependence on uranium supplies, since the European Community has few uranium mines of its own.

What conclusions do we in the Socialist Group draw from this? Our first demand — and we are pleased that the Commission has already raised it — is to save energy. Mr Brunner, you were only able to touch on this subject and said that we might return to it later. The aim of saving must be set, but — and this question will have to be considered most carefully — what legal possibilities do we in fact have in the Community for adopting directives which will actually be respected? Appeals for economy are not enough, as we have seen in the case of speed-limits for cars, to give just one example.

We agree with you that there must be new building regulations, that the technical provisions require changing and that statutory provisions may be needed to counteract the waste of petrol or oil for transport purposes and in the heating of buildings. A particularly important task in the area of energy-saving will be to do something about the waste of electricity, which is not basically suited to use for heating rooms and water.

The next demand of the Socialist Group is for the development of alternative energy sources. We want measures to promote the development of heat-pumps, solar energy, waste-heat utilization, and we should like a further study to be made to determine whether the

Community is already making full use of the potential of hydro-electricity and pumped storage power-stations.

The Socialist Group further considers that safety must take precedence over economy. We originally called for this debate after the Wyhl judgment. I remember the question by my colleague, Mr Fellermaier, who took the Wyhl judgment — which raised the question of the safety of nuclear power-stations — as an opportunity to ask the Commission what in fact was being done about safety. Are there really progressive differences between specific types of nuclear power-station? What do the terms 'inherent safety' and 'residual risk' mean? To what extent can genetic damage be expected? Are the statistics of Gofman and Tamplin in the USA correct or faked?

A further conclusion, Commissioner, is this: we believe that nuclear energy should be used as little as possible or, to put it differently, only just as much as is unavoidable, because we have now learned that we cannot manage without nuclear power. We want light-water reactors to be examined critically in order to determine how the waste disposal problem can be solved. We maintain, not that plutonium should be disposed of, as suggested by President Carter who, in his own country, has a gigantic potential of uranium (incidentally, we recently learned that the gigantic overkill capacity of atom-bombs can be used to make an enormous quantity of nuclear fuel for light-water reactors), plutonium should not be finally disposed of but be used further in light-water or fast-breeder reactors. We also maintain, unlike the Americans, that fast-breeder reactors are necessary in the Community because they give sixty times the utilization of nuclear fuel. Very seriously, however, we wonder, Commissioner, whether, when choosing the sites of fast-breeder reactors, very stringent security measures should not be taken; in other words, whether these reactors should not preferably be sited at points where the least damage to the environment — and in particular to the population — can be expected.

Finally, we also want to see the development of high-temperature reactors. We note with some regret that only the Community, and only one country in the Community, is working seriously on such reactors. We also understand, and this, too, is a safety aspect, that high-temperature reactors work with 90% enriched uranium, so that the proliferation question comes into play. We should therefore like the Community and you, Commissioner, to consider once again to what extent the British model of advanced gas-cooled reactors might be an alternative; and this also applies to the Canadian CANDU reactor.

Outside in the lobby, someone has set up a model of the JET system — perhaps you were responsible, Commissioner, in which case we are grateful to you.

Flämig

This shows how gigantic would be the machine planned by the Commission as a step towards a solution of the problem how fission can be replaced by fusion, thus imitating the process which takes place on the sun.

Commissioner, Mr President, ladies and gentlemen, may I end by noting that my comments have only given a general summary of energy-policy problems. A joint debate of this kind cannot bring the results which we in the Socialist Group want to see. We therefore welcome the fact that further specific debates are planned over the next few months. We have heard that another debate is to be held in the autumn on the problems of waste disposal and removal of spent nuclear power-stations. We are convinced that great attention must also be given to the subject of coal, raised in Lord Bessborough's report, and in particular to the aspects of safety and safeguards — which are not identical. I hope now that in the further course of this debate other members of the Socialist Group will have an opportunity to comment on specific matters. May I end by thanking you, Mr Brunner, once again for your readiness to give us such frank and full information.

(Applause)

IN THE CHAIR : MR YEATS

Vice-President

President. — I call Mrs Walz to speak on behalf of the Christian-Democratic Group.

Mrs Walz. — *(D)* Mr President, ladies and gentlemen, as spokesman for the Christian-Democratic Group, I shall be commenting on items 63, 24, 25, 26 and 64 on the agenda, while my colleague, Mr Zeyer, will be speaking on Lord Bessborough's excellent report, which was approved by all the committees concerned.

The report and the oral questions, like the Commission's communications on the Bravo drilling platform incident and on the disappearance of natural uranium — we for our part somewhat regret that the latter rather delicate question was put at all — all lead back to three basic questions.

Firstly, how safe are our energy supplies in general? Secondly, how good are the safety provisions for the various sources of energy, and, thirdly, the closely-related question already put by Mr Jahn: what loads on the environment and on man are reasonable and tolerable if we are to protect the environment as far as possible while at the same time maintaining and increasing the number of jobs?

Let me now look very briefly at the individual questions, before making a number of general comments

on our oil and uranium supplies. In this connection. I have some criticisms to make of President Carter's energy programme, which is of vital importance to us in Europe. It was no accident that this topic was omitted from the economic summit and left to bilateral negotiations; the new French uranium-enrichment process was no doubt a contributory factor to this decision. In the final analysis, security of supplies to the Western industrial nations and to Japan, which are poor in raw materials, is at stake here.

I shall be brief on the Bravo incident. This was a case of human failure and better safety regulations would no doubt have prevented the accident from occurring at all. But we must be clear about one thing: if safety is to be increased to the necessary degree, very high costs will result for the extracted oil. And before reaching the conclusion, often put about by our popular magazines, that offshore drilling should cease altogether before the seas are completely ruined, let us remember that 20% of world oil production is effected offshore. So far attention has focused on accidents to super-tankers, which have been serious enough, while small production incidents have generally been overlooked. However, the Bravo incident shows clearly that stronger safety-measures must be taken. These measures will increase the price of oil. However, we cannot abandon offshore drilling, just as we cannot give up nuclear energy unless we wish to return to a pre-industrial society.

We particularly welcome the question put by Mrs Kruchow and the Liberal Group. Mr Carter, too, has appealed to his nation to save energy and tried to shake us all out of our torpor. We in Europe have not made use of the energy crisis, even though it has resulted in a two-year recession and growing unemployment. We felt as though we had escaped once again and that we did not really need to take any measures even though an end to the use of fossil-energy sources, apart from coal, could already be foreseen and, with the increase in world consumption, a worldwide struggle for available oil resources is likely to begin as early as 1985. America is the Western world's biggest consumer. The American consumer takes about twice as much energy as his German counterpart, and industry in America consumes 38% more per unit of production than in Germany. In this respect the ratio is even more unfavourable between America and Sweden.

Research into energy-saving techniques must be continued, but is not all-important. No exaggerated expectations should be placed in it, since fundamental physical and technical factors reduce the room for savings considerably. Research is needed above all into better uses of available energy. Energy losses in conversion and consumption are estimated at some 54% of primary energy supplies. Here the possibilities for saving must be considerable.

Walz

Mr Jahn's worthwhile question about environmental pollution by energy sources unfortunately overlooks the principal source of pollution of the environment — namely, man himself with his household waste and cars. Every industry, especially the chemical industry, also creates specific environmental pollution. It must be clearly recognized that every form of environmental pollution results in the increased use of energy.

The energy committee's questions, put with such vigour and eloquence by Mr Dalyell, seem to have lost their immediate topicality after the latest developments, especially in the USA. They do still apply to Canada, however, and extreme caution is called for here. President Carter has given a commitment that America will continue to supply uranium, enriched uranium and highly-enriched uranium for research reactors whose activities would have had to be suspended in the near future without such a promise.

However, Mr Carter has reserved for himself the decision on supplies of amounts of highly-enriched uranium in excess of 15 kg. So far an end to the embargo has been announced, but no actual deliveries have been made. At his press conference of 2 May, President Carter did, however, give the following answer to the question whether fuel elements from the USA could be reprocessed by third countries: 'Now and in the future'. I hope that President Carter had carefully considered the implications of those words: now and in the future.

We welcome the questions put by the Socialist Group, which remain valid even though Wyhl did not set a precedent. Since, however, nuclear energy certainly will not be able to provide the percentage of total energy supplies that had been expected, we must wonder what the consequences will be for employment in our countries. In the Economic Affairs Ministry in Bonn we once made the following calculation: if the construction of nuclear power-stations were totally suspended at the current level of 6 500 megawatts, power-cuts would have to be made as early as 1980. Assuming completion of the still undisturbed power-stations and of those at Brokdorf and Wyhl, giving 21 000 megawatts by 1985, there would still be an energy shortfall of 10 %. That would mean a loss on the gross domestic product of 1½ % and an unemployment level of 8 %. What is the Commission's view of these calculations? Have similar calculations been made in other countries, and is the relationship between energy availability and unemployment really as close as assumed in the Economic Affairs Ministry? Mr Flämig has put that question.

May I now make a few remarks going beyond the specific questions on the problems of our energy supplies, in particular in the area of nuclear energy.

We must all be grateful to President Carter for his energy message to the nations, which made it perfectly clear to the whole world that our fossil fuel reserves are exhaustible. That message was particularly meritorious in that it was given in a country which is so rich in raw materials and accustomed to waste. May he succeed where Presidents Nixon and Ford failed, as we did, too, after the oil-crisis! The programme will, however, require considerable amendment. Carter's programme is not applicable to Japan and the EEC, which are short on raw-material resources. According to a recent forecast published in the OECD's *'World Energy Outlook'*, a rise in world mineral-oil consumption of close on 50 % may be expected in the next few years. Given the increasing demand and tight supply situation, increasing stresses must be expected to develop on the world petroleum market in the 1980s. Some 70 % of all oil reserves are to be found in the OPEC countries, which thus maintain their dominant position in the world. The possible — I say possible — misuse of oil as a political weapon, the possibility of a controlled oil shortage, the understandable reluctance of the OPEC countries to increase their production by a further 70 % — all these factors make it necessary for us to look around for substitute energy sources; here nuclear energy is a possible solution in addition to solar, wind, water and geothermal energy; nuclear energy, with all its risks but also with the possibilities offered by reprocessing and fast-breeder reactors; here, too, we agree with the Socialist Group. President Carter, with his warning about the plutonium industry in Europe, may have been misunderstood to mean that he wanted to limit the use of nuclear energy as such. That is certainly not the case. According to the latest declaration by the Carter administration, the United States is planning to have between 300 and 500 light-water-reactor power-stations by the turn of the century and the USSR has a similar figure in mind, according to President Brezhnev, viz., a further 500 new light-water reactors in each country.

Carter's observation on the prevention of plutonium proliferation must be taken very seriously, and we are horrified at the thought that there might be new nuclear powers. But developments cannot be turned back twenty years. Nine countries already have their own uranium enrichment potential, and fourteen countries have large or small processing facilities for irradiated fuel elements. For several years, a great many countries have been operating large research reactors and thus already have sufficient fuel to manufacture nuclear weapons. The methods of fuel reprocessing have been published in technical journals for a long time now. In a recently-published study, the American Ford Foundation reached the fatal conclusion that the production of nuclear weapons is possible today even without the operation of power reactors and even substantially cheaper. The Pandora's box has been opened long ago — precisely because of the supply of American light-water reactors and

Walz

nuclear technology throughout the world. American pressure would only strengthen the efforts of countries which have not signed the non-proliferation treaty to become nuclear powers in their turn. Yugoslavia is already raising its voice, and what about India and Pakistan? What then is to be done? The answer is not total refusal but better control.

It cannot be denied that the non-proliferation treaty, with its clear distinction between nuclear weapon production and the peaceful uses of atomic energy, has been to some extent overtaken by recent technological developments, although several non-nuclear states were only persuaded to sign by the promise of unimpeded peaceful utilization of nuclear energy. It may have to be recognized that new and perhaps more reliable methods of control will need to be found, while the supplying countries will probably impose new constraints.

The supplier countries in the West, although certainly not those in the East, are rightly aware of their responsibility to the world, even if their own energy reserves make this easier for them and they have, too, the possibility of fast-breeder reactors. An international consensus must be reached, not only on the plutonium industry, but also on the control of existing stocks and uses of plutonium; exemplary controls are effected by Euratom and the International Atomic Energy Agency, but presumably further improvements can be made — Mr Brunner has already referred to this possibility — in order to persuade the uranium supplier countries to respect the treaties. In an Atlantic community, it is not possible for one side to insist fully on its sovereign right to decide on deliveries despite agreements entered into by it, while the other side is thus placed in serious economic and social difficulties. Those difficulties would only rebound on Canada and the United States. Incidentally — and this is the irony of the whole affair — this problem does not exist in the Eastern bloc, where the satellite countries are dependent on the Soviet Union. Here a plutonium potential is being built up without extensive controls.

In this situation, there is every reason for the EEC to reach a common position and speak with a single voice to America and Canada on the matter of supplies and in the security sector by harmonizing safeguard provisions. I agree with Mr Brunner's earlier remarks on this point. It might also be possible to give the reprocessing and disposal plants an international status, e.g., by making them European companies in the EEC, under the responsibility of Euratom.

We hope that the Commission and the individual governments will meet with complete success in their negotiations with the uranium-supplying countries. Alliances presuppose compromises and that holds good for both sides.

(Applause)

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

Mr Hougardy. — *(F)* Mr President, ladies and gentlemen, this is a highly interesting debate and I shall try not to repeat what previous speakers have said; the conclusions which Mrs Walz has just drawn will make this easier for me.

However, I should like to stress President Carter's recent statements on United States energy policy, which have made the problems of energy supplies a topical issue. The broad intentions of Mr Carter's programme are to place an embargo on the 'sensitive' export technologies (fuel enrichment and reprocessing), to postpone plutonium recycling indefinitely and to place the US breeder prototype in cold storage. But I think it is too soon to say which of President Carter's proposals will be accepted, since, if I have rightly understood the various communiqués, the London Summit decided to set up a special committee to look into energy problems. On behalf of the Liberal Group, I should like to say that the breeder option must be left open, since it makes a 100 % use of uranium, while in other types of power-station the figure is only 2 %. With breeder reactors, world uranium stocks can be increased 50 times, thus guaranteeing secure world energy supplies. This point was stressed by the participants in the conference on nuclear technology transfers held in Persepolis last April, which is the source of my information.

Although the energy situation in which each country finds itself varies widely, there are a number of factors at work in Europe which command our attention: first, there is the problem of the medium-term exhaustion of hydrocarbon supplies, given the present rate of consumption, and hence steadily rising prices, even without political blackmail; secondly, there are limits to the large-scale use of coal as an alternative fuel. We must realize that there are difficulties in mining and using coal and that a good many consumers cannot readily switch to it. The decision to go nuclear is therefore justified and has been effectively taken in most cases. The United States, for instance, take the view that conventional reactors help them in an essential way to maintain their dependence on outside sources at a level compatible with their superpower status; for the same reason, the Soviet Union has embarked on the same course, despite the enormous resources of Siberia, although these are admittedly located at some distance from the centres of consumption. The same holds true for the OPEC countries (Iran, Algeria, Libya, Kuwait), who are concerned to make sure that their development lasts. I believe we made a mistake, for which we are all to blame, in doing nothing to inform public opinion of this necessity. Most developed or nearly developed countries, particularly those of Eastern and Western Europe, Latin America, India and Japan, have to import the bulk of their energy.

Hougardy

A country's standard of living is generally measured by its per capita GNP and is a direct reflection of economic activity. Statistics show in every case without exception that in a given country and in a given economic situation, increased standards of living always go hand in hand with higher per capita energy consumption. When it comes to energy savings — a moment ago, Mrs Walz drew a comparison between Germany and the United States — there are wide disparities between countries: each American, for instance, consumes twice as much energy as a European with the same standard of living. This shows that the energy savings programme advocated by the United States could not be applied in exactly the same way as in Europe, where conditions are different.

Commissioner Brunner made the clear and firm point that the introduction of nuclear energy in Europe was vital to the energy supply, the balance of payments, employment and the protection of the environment. Since Europe does not have large enough deposits of natural uranium to cover its requirements, the nuclear option clearly cannot give us complete energy independence. However, uranium differs from other energy products in that it must be treated in a number of stages from enrichment, manufacture of the fuel elements, and reprocessing to the storage of waste. Europe has, or shortly will have, the capacity to carry out all the stages in this 'fuel cycle' provided that research continues uninterrupted in order to allay the fears and suspicions of public opinion, which, I repeat, has always been ill informed.

As to what Europe is doing, I should like to stress something which has not so far been mentioned. I refer to the progress of the European uranium enrichment programme, which is the responsibility of Eurodif. Eurodif was set up for the purpose of uranium enrichment, and its programme will be 2 300 000 separation units in 1979, 6 500 000 in 1980 and 8 400 000 in 1981; the figure for 1982, when Eurodif will reach its maximum capacity, will be 10 800 000 separation units. To give you an idea of what this means, I would point out that on average 100 000 separation units are required to recharge a 1 000 MW reactor. This will show you the extent of the effort which Eurodif has made in this field.

The Community would like to produce 50 % of its electricity from nuclear sources in 1985; this would mean an increase of 15 % in the nuclear contribution to total energy supply, which seems far from excessive. But what I would like to hear is a clear statement from the Council and Commission on the state of implementation of the 1975-85 plan.

The replacement of conventional by nuclear power-stations in Europe would mean net savings in foreign exchange. With nuclear power, the kW/hour costs roughly 25 % less than with oil-fired stations. But

from the social point of view (employment), it is most important to note that where oil is used, two-thirds of kWh production costs go abroad, mainly to the Arab countries, for the purchase of crude petroleum, whereas with the kWh supplied by nuclear power-stations, the bulk of production costs goes on the construction of the power-station itself. Such investments remain almost entirely in Europe and provide work for our factories. The construction of a 1 000-MW nuclear power-station employs 2 500 people for five years. Apart from the cost level, nuclear-generated electricity thus enjoys a substantial additional advantage deriving from the type of costs involved, since it promotes employment and eases our balance of payments.

The protection of the environment is a concern which we all share and that none of us can claim as his own. But if we are to remain objective — and objectivity seems difficult in this area — it must be added that no form of energy production is entirely without danger either for man and the environment. However, a number of recent studies and more than twenty years' operating experience have shown that nuclear power-stations are perfectly 'clean' and extremely safe. The electricity is produced without oxygen being burned, no carbon monoxide, carbon dioxide or sulphur dioxide is given off and there is no dust. It should be remembered that normal radioactivity in the proximity of a power-station is so low that it is generally impossible to distinguish between the increment due to the power-station and fluctuation in natural radioactivity. As for the elimination of high-level waste, to which repeated reference is made, this problem is on the verge of solution, thanks to vitrification procedures and storage in stable geological formations.

But this does not mean that research into the problem of radioactive waste should not continue to be pushed. Parliament should keep this under review and insist that the Council and Commission keep it regularly informed.

As for the risk of accidents, the Rasmussen Report, covering 100 reactors operated under American conditions, showed that the chances of thousands of people dying as a result of a nuclear accident were as high as with the fall of a meteorite.

I should also like to point out that reactor safety standards in Europe are extremely stringent when compared with those in force in the United States and even more so with those applicable in the Soviet Union, where, for the first time, a European-type confinement belt has been planned in the construction of a 1 000-MW power-station at Novo-Voronezh. This is a point which has to be made, since it is one which the opponents of nuclear power often raise. We must also be wary of the false rumours spread by

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certain groups of people whose object is not always to defend the environment but rather to transform our society.

To sum up, if we compare the impact on the environment of the various types of energy production in general and electricity production in particular, we can clearly see that the electronuclear option is the least damaging.

If government indecision were to result in a widespread freeze in planning and operation permission procedures for nuclear power-stations in Europe, the consequences would be extremely serious. In the short term, large sums would have to be paid to manufacturers in compensation for breach of contract. Furthermore, tens of thousands of jobs would be put at risk: in Germany, trade-union estimates put at 150 000 the number of workers engaged in the construction of 18 nuclear power-stations. Finally, a number of power-stations already in operation would have to be temporarily shut down while improvements were made in safety standards, automatically causing a power shortage.

The longer-term outlook would necessarily be rising production costs, uncertain supplies, a deterioration in the balance of payments and a growing economic handicap in comparison with countries which continue with the nuclear option and/or are blessed with ample energy resources such as the United States, the Soviet Union and the satellite countries.

To sum up, Mr President, the increase in the price of all imported raw materials has caught Europe without a common industrial policy and this has forced us to reconversion in quite a few sectors of industry. Inflation has caught the Community without a common economic and monetary policy. Let us hope that the fourfold increase in oil prices and the controversy to which the nuclear issue has given rise will prompt Europe to pursue a common energy policy at the earliest possible juncture.

Unfortunately, the shilly-shallying and the time lost over the choice of a site for the JET project do not hold out much promise for the common energy policy. Nevertheless, I have confidence in Commissioner Brunner and I hope that he will continue to find the energy — the right word I think — to uphold the interests of 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, on behalf of my Group, I should like to thank those who tabled the oral questions before the House, for they have furnished an opportunity to take stock of one of the most serious problems with which

our society is and will continue to be faced — that of energy supplies and the related matter of health and environmental safety. I shall concentrate mainly on the problem of electro-nuclear energy, which is seen as playing an important part in meeting the Community's energy requirements over the next ten years. The Community's energy programme, ambitious perhaps but nonetheless necessary, drawn up in 1974 and styled 'objective 1985', has been cut back several times. Coal production, for instance, continues to decline for lack of forceful action while — and this is the paradox — stocks are rising because of increased Community imports. This is what Lord Bessborough's excellent report is saying.

The results of the energy-savings policy have not been as satisfactory as originally anticipated. All that remains of it is the hope that greater awareness of the problem and the consultations now going on between the most highly-developed countries will succeed in putting a quick stop to unacceptable wastage. The North Sea does not promise to be an Ali Baba's cave and, just as with nuclear energy, public opinion has grown suspicious and wary since the Ekofisk-Bravo incident. Finally, there is the extremely serious threat to the production of electro-nuclear energy, which is one of the sources we are relying on during the next ten years.

The policy of building nuclear power-stations is criticized by public opinion in most European countries and the dangers are distorted or exaggerated, all too often in the defence of unworthy causes. Has anyone made out a list of accidents in conventional power-stations, of disasters when dams have burst as a result of faulty construction or, more simply, of landslides or unforeseeable weather conditions? Has anyone ever taken the sad toll of human lives lost in coal-mines and were mines shut down as a result? And we could say as much of the risks of atmospheric pollution caused by coal or petroleum processing.

Let us be quite frank about this. Whatever group or party we belong to in this House, we all feel concerned with the need to protect nature in the widest sense of the term. We are prepared to do everything we can to achieve this purpose and also to protect ourselves against radioactivity. But the energy problem — and that of raw materials in general — has us, and for the immediate future will continue to have us, by the throat. We must find an answer otherwise we shall no longer be able to speak of 'the quality of life' or 'economic and social progress'. At least as it is understood by some people, ecology, like the tongue in Aesop's fable, can be the best but also the worst of things and cause recession and revolution — in other words, human misery — when it serves as an unworthy pretext for political subversion and contestation.

Liogier

But construction programmes have already been held up to an appreciable extent in certain countries, particularly Germany. Planning permission procedures have become increasingly complicated. It can hardly be wondered, then, that the target set by the Commission for the coverage of Community requirements by nuclear energy is constantly called in question. Cut back from 13 % to 9 %, even this lower target may well not be reached. The time is long past when we dreamt ahead to 1985 of meeting 50 % of our electricity requirements from nuclear sources! And what will happen to breeder reactors, which, mainly because of American opposition, are faced with difficult teething problems; with the avowed purpose of controlling the spread of nuclear weapons, the United States is bringing pressure to bear on Europe not to export power-stations and reprocessing plant, chiefly by halting supplies of enriched uranium. Most fortunately for us, we can hail the French discovery of a way to enrich uranium sufficiently for use in power-stations but not enough for direct military purposes. This discovery will give us the opportunity to test the good faith of the United States Government, for its arguments will no longer stand up.

It still remains true that conventional nuclear power-stations burn uranium 235, which is found in natural uranium in a proportion of no more than 1 % and must be extracted. Breeder reactors use plutonium, which is obtained as a by-product from the uranium burned in conventional power-stations. They are thus capable of transforming natural uranium into plutonium and hence of producing more fuel than they consume. This explains why France christened its breeder reactor 'Super Phoenix' after the bird in mythology which rose from its ashes.

As I said, the reason given by the United States for its opposition to breeder reactors is the risk of a spread in nuclear weapons. The fact of the matter is that while the Russians have long been making major efforts in this field, the Americans are ten years behind. They intend to make up the leeway and hope that, during this time, the others will make no further progress.

But perhaps the problem is whether Europe means to be at long last a genuine partner for the other major powers or simply a vassal to one of them.

Behind the setback to nuclear power there is a sad reality. What type of energy can be used to bridge the period until the introduction of new forms, such as thermonuclear fusion or solar energy, that finally answer the problem of the source fuel and also eliminate pollution? Where can we find the additional energy required for continued growth and reduced dependence on petroleum? For many people, these objectives are growing less important as the oil crisis and the spectre of cars without petrol and houses without heating recede into the distance. Everything is

so easy: we press a switch and we have light; we turn a knob and we have heating. Very few of us are aware that energy is the key not only to economic prosperity but, above all, as I said earlier, to social progress, and it is energy that has freed man from slavery.

The oil-crisis has not been settled, despite appearances. And one further consequence of the delay in the programme for the construction of power-stations is the increase in capital costs. German manufacturers are speaking of additional costs ranging from 150 million to 400 million DM, depending on the stage of project completion, for each year's delay. Although production costs per kilowatt/hour from nuclear sources are lower than from coal or oil, or even natural gas, capital costs per kilowatt/hour from nuclear sources are the highest of all. Safety problems must not, of course, be neglected and the strict regulations laid down in the various countries show what close attention their governments pay to those problems.

And yet the wave of protest — with occasional violence — that we have witnessed in Germany has gained strength despite the efforts made by the Member States to inform the public. In this respect, the Group of European Progressive Democrats takes the view that the Commission has perhaps not done enough to inform public opinion properly, despite repeated warnings from this House. The blame attaching to the Commission appears the more substantial in that it is perhaps a bit too late in certain countries for a genuinely effective and successful information campaign.

As a result of the delays or protests which have taken place and are still taking place, the nuclear bridging option will not bring throughout the Community the full benefits expected in the matter of energy supplies in 1985. Forceful action by the Community is therefore more necessary than ever if the situation is to be redressed.

(Applause)

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

Mr Normanton. — Mr President, the fact that this is an omnibus type of debate is, I have to say, in my opinion, unsatisfactory, if only for one reason in particular. By ranging far and wide — and that certainly is one of the major characteristics of this type of debate — we are inevitably diluting the importance of each and every sector of the subject which is before us for consideration. This is inevitable, but that is one of the defects of this debate. I only have 10 minutes in which to make my contribution on behalf of the European Conservative Group and I therefore propose to concentrate my comments under three headings — Carter, Ekofisk and uranium.

Normanton

On the first point, perhaps it may be of interest to the House to know that during the Easter recess, I was in Washington, where I spent 5 days having meetings with various departments and members of the Carter administration. And the one which interested me most was the meeting with the Schlesinger energy advisors, with whom I had deep and intensive discussions. I think it is appropriate to remind the House that President Carter in his television broadcast made two very powerful and telling points. He quoted two sets of statistics and, if I may, I will quote them to this House to illustrate the significance of the message and of the energy policy which he was presenting. In 1972, the United States imported oil to the tune of \$ 3 700 million — \$ 3.7 billion. By 1976 that figure had risen 10-fold. If there is to be no energy policy for the United States, never mind about the rest of the world, then the cost to the United States will increase a further 15-fold by 1985. In other words, between 1972 and 1985 a 150-fold increase in the cost of imported oil and gas and energy. We are of course facing a rise of 4, 5 or 6 times — that is the measure of the impact of the United States on the world energy scene. Inevitably, therefore, the consequences of the energy policy in the United States are of the greatest possible significance to the rest of the world.

The second point he made was to remind his audience — the American people — that the current world demand for oil is 60 million barrels a day, which is rising and has risen inexorably by 5% per annum. If this increase continues unchecked, then all known reserves of oil throughout the whole of the world will be exhausted 12 years from now. To put into correct perspective the Alaska output, the whole of the reserves and the supplies which are about to flow from Alaska will do no more than meet the increase in demand for energy by the United States over 2 years. Clearly, there is a lot we can learn from that.

The Carter proposals — and I do not propose to list them, Mr President, because there is not sufficient time — really fall under 6 particular headings, and it may amuse the House to note that at least 4 out of the 6 happen to fit in beautifully by alliteration, because they all begin with 'C': C for Carter, conservation, consumption, coal and competition. The other two are going to have a great impact upon the European Community. One is the proposal to establish within this coming year a strategic oil reserve. Perhaps someone in Washington has been looking at the proposals which have been drafted and implemented by the Commission in recent years) and the last one is the proposal to introduce a new, entirely new approach and policy in the field of nuclear power.

But the three lessons, Mr President, which I think that we in the Community should draw from the Carter

proposals are simply these: firstly, that the United States is facing the same dangers as we in the Community are facing, probably on an even greater scale; secondly, that the political leadership is facing up to those selfsame dangers and preparing plans for dealing with them; and thirdly — and I think this is the most important of all — that the political leadership of the United States, in the form of the President himself, is taking upon his own personal shoulders the responsibility for giving a lead. And I only wish, Mr President, that we could see in Europe on a Community basis, or even in any one of the nine Member States, any evidence of such recognition and manifestation of leadership. It is the absence of it which worries me and I am sure should worry every single Member here in this Parliament today.

As a group, we would make four brief points on the Carter energy proposals. Firstly, I would stress the great interest which the Community as such should have and display in the successful implementation of the policy within the United States. If they fail to implement that plan, then we in Europe will share in the cost — the huge cost — of such a failure. And here I would repeat that I think it underlines the ever increasing importance of the Community's having an effective and appropriate energy policy. We have it on paper, but we have not got it in reality. And here again I would repeat, for probably the tenth time, a demand that the European Community must establish, as indeed the United States of America is now establishing, a Community energy agency with teeth. It's no good having a mechanism which is no more than on paper. We want an institution with power, with authority, with teeth, and nothing less than that will be adequate to deal with the danger.

Secondly, the fact that the United States industries will have to pay world market prices for energy is indeed going to have a significant impact upon us in Europe, because in the process of stocking-up during this coming year, there will inevitably be a continual rise in the price of oil, and we shall have to pay and compete in that same market. And in view of their nuclear policy, there will be an increase in the price of uranium, and we who have no uranium in our territories will have to face up to that reality.

The third point I would make — and it stands out loud and clear to me — is that the Community should call for COST-type agreements between the United States' administration and the Community, so that new techniques in the field of energy conservation and in harnessing new and innovative sources of energy can be exchanged and commercialized effectively. Transatlantic cooperation becomes of increasing importance as this energy programme of President Carter's is brought into operation, and in this connection, Mr President, may I add an appeal that such a programme for agreement and technolog-

Normanton

ical cooperation must, above all, be on a two-way basis. For far too long, we in Europe have opted out of this innovative collaboration.

The last point I would make on the Carter proposals is that their effect on our own Community nuclear programme should not be underestimated. Indeed, in my discussions in Washington, the price of uranium ore and the sourcing of it in particular was the subject of quite an intensive dialogue. The fact that in the next year or two — yes, year or two, Mr President — the price of that ore on the world market may well be ten times — maybe even twenty times — as high as today will have a distinct impact upon our own nuclear programme. And of course, that reinforces the view, expressed so far in this debate, that Europe must concentrate even greater efforts in the field of fast-breeder reactors as one means of reducing the dependence upon imported uranium ore and avoiding a repetition of what occurred in connection with Europe's dependence on imported oil.

My second heading is 'Ekofisk'. This highlights beautifully the continued vulnerability of European indigenous oil supplies. Six mini-submarines, Mr President, can put out of action, almost in perpetuity, the lifeblood of industry in Britain, and by inference I also mean damage the European economy. The inadequacy of the energy coordination mechanism is something which has been highlighted by that event.

To conclude, Mr President, four years ago, the energy crisis burst upon a sleeping Europe. Our economies have been dangerously knocked off balance, but they have not been destroyed. Europe, though, still sleeps, and the responsibility for waking the peoples and the governments of the Member States of Europe lies with this Parliament. I only hope that this debate has made a modest, but significant contribution to that objective of awaking Europe from its slumbers.

(Applause)

President. — I call Mr Veronesi to speak on behalf of the Community and Allies Group.

Mr Veronesi. — *(I)* Mr President, ladies and gentlemen, I think it was a wise move to have held over till this part-session the joint discussion of the questions and of the report relating to the problems of the energy situation of the Community in the future. This has enabled us to devote more time to the debate, to consider the various complicated matters within a simple framework and to pay closer attention to the definition of the positions taken up. Moreover, some light, even if still insufficient, has been thrown on the whole question by the recent political events that preceded, accompanied and followed the London summit.

The questions, like Lord Bessborough's report, betray a common anxiety: that of ensuring energy supplies

for Community Europe in the light of economic and ecological considerations. A gloomy future teeming with uncertainties hangs over the Community.

From the economic point of view there are, in our view, two disquieting symptoms. The first is the threat of another early increase in the price of oil. On 5 May this year, the Beirut journal *al Anuar*, quoting the Arab oil minister without mentioning him by name, wrote that Saudi Arabia had agreed in principle to raise the price of crude oil by further 3% in return for an undertaking by Iran not to bring into effect the 5% increase next July as decided at the Doha summit in December 1976.

The second source of anxiety lies in the statements made by President Carter on 7 April last with which, after suspending deliveries of uranium from March 1977, he asked the countries of the West, and particularly Europe, to halt the development of fast reactors — a sector, incidentally, in which the United States are lagging well behind Europe — and to refrain from selling plants and know-how for the recycling of nuclear fuel.

Since Canada, too, has put up obstacles to deliveries of uranium, Europe has recently been forced to come to terms with a situation which, though familiar to it, it was experiencing difficulty in coming face to face with openly — namely, the appalling inadequacy of its energy supplies. Let it be said clearly, without dramatizing the situation, that those who have claimed that there exists today, alongside an oil OPEC, a nuclear OPEC appear to be in the right.

We cannot brush aside some of the well-grounded anxieties of the American President. Alongside the production of energy in nuclear power-stations, there is the production of plutonium, a raw material used not only in fast-breeder reactors but also for the manufacture of bombs. The peaceful atom, as it is called, seems now to be inextricably linked with the military atom. The problem raised, therefore, exists and is inveighed against. The solution can only be a political one and must involve all countries. This is a matter to be considered at the next Belgrade conference. On various sides, however, both in Europe and in Japan, the suspicion has been authoritatively voiced that President Carter has also other, less legitimate, aims in the economic and commercial sectors.

The first aim would be to give the United States control of the rates of development of the nuclear programmes of the other countries, so as to enable it to retain its superiority in that field and to remain the exclusive supplier of enriched uranium after having closed the door on plutonium.

The second aim would be to slow down the development of breeder reactors, a field in which, as I was

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saying, the United States is lagging behind. Let it not be forgotten that the 250 MW 'Phoenix' is functioning admirably, the results far exceeding expectations. The 250 MW reactor is in operation in the United Kingdom, and the 300 MW reactor in the German Federal Republic is under construction, while the 1 200-MW 'Super Phoenix', a product of international cooperation, is now in an advanced stage of construction. Finally, the Community has set up a special group for the study of breeder reactors.

Someone has said and written that if Europe persists in its activities in the field of *breeders* against the will of the USA, it will suffer yet another resounding failure such as that experienced with the 'Concorde'. This was, for example, expressly stated at the Turin meeting of 26-29 April 1977 devoted to environmental policy and the energy crisis, a meeting also supported by the Commission of the European Communities.

All this smacks of blackmail. Fast reactors, it is said, should be made either with the USA — that is, under its domination — or not at all, under pain of deliveries of uranium being blocked. And to think that after the meeting with UNIPEDE — International Union of Producers and Distributors of Electrical Energy — and EEI — Edison Electric Institute (association of electrical companies in the USA) — held in March and April this year in New York, a press release was issued devoted entirely to the defence of sodium-cooled fast-neutron breeder reactors! The suspicion is therefore not without foundation and accounts for the doubts that arise on an impartial examination of the facts. The ecological campaign is suspect, for while we would not deny the grounds on which it is based, its exasperating irrationality astonishes us. Was it generated spontaneously, or was it the result of moves unrelated to public opinion? Let it not be forgotten that the campaign was started up about eighteen months ago.

We now come to the uranium that vanished in 1968. The fact that we hear of it only now, at a time when this extensive debate is taking place, is curious enough. I must confess to astonishment at the reluctance and reticence with which a problem of such gravity has been discussed. We are not dealing with poachers or with children who sneak jam from the larder, but with the theft of 200 tonnes of uranium perpetrated by secret services with the tacit complicity of Western countries. That is the truth of the matter, and it was known perfectly well where that uranium was going to end up and to what use it would be put, but nobody breathed a word. This is an extremely serious matter, a responsibility which neither the Community as a whole nor the individual governments can shrug off in the face of public opinion.

But oddest of all is the fact that the incident should have come to light only now, at a time so fraught with

difficulties for nuclear projects. However, another item of news more widely known in Europe than in the United States is that served up by the US-General Accounting Office on the disappearance of several thousand kilograms of uranium and plutonium, which, it was alleged, had occurred in the United States, and which was complained of in a report submitted to the US government and aimed, once again, at scaring public opinion.

The position taken up by President Carter immediately aroused contrasting reactions among economists and ecologists. During the study days in Persepolis from 10 to 13 April this year — that is, the first conference of Middle East countries that studied the transfer of advanced technologies to the Arab countries — 500 experts denounced, in the Charter of Persepolis, the United States' craving for monopoly. President Jenkins himself, according to what the newspapers published on 21 April last, stated in Chicago that he could accept the anxieties felt about plutonium but not the abandonment of breeders, which, as is generally known, multiply by 60 to 70 the amount of nuclear energy available.

Moreover, at the Trieste Congress on Plasma Physics, which has just been concluded, the idea was considered of using the intense neutron flux of Tokamak breeders to create plutonium.

Finally, on 6 May during the Salzburg conference, Mr Giraud, official of the French Atomic Energy Commission, reported the discovery of methods of guaranteeing the innocuousness of plutonium or the impossibility of utilizing it for the manufacture of bombs. We are very glad to hear it but must wait for the technical and scientific details, as here again we fear there may be some element of propaganda.

It is true that the United States has mixed in a little water with the wine, especially in view of the international and national protests made at the Salzburg conference to which I have referred. It must be borne in mind, however, that between 1976 and 1980 Europe will require, according to Community forecasts, about 50 000 tonnes of enriched uranium, while consumption of electrical energy, which dropped slightly between 1974 and 1975, showed a rise between 1975 and 1976. In the light of this, therefore, any discussion in the past of independence in the energy sector loses its significance, because if it is true that nuclear energy reduces dependence on oil, it is equally true that in recent events there has manifested itself another form of dependence that is just as harsh and dangerous from the political point of view. Furthermore — and this we must recognize — the credibility of the plans announced in the Paris agreement of 18 November 1974 for an international energy programme to be entrusted to the International Agency has suffered a blow. Recent events have wiped out these hopes and these prospects.

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The problem of energy supplies, like many others, is undoubtedly, a grave one, but there exist three conflicting attitudes to the subject. The first is optimistic and speculative and expresses itself in the certainty that sources of energy are still far more abundant than has been forecast and that it is possible, and indeed essential, to press ahead with nuclear programmes, relying on the emergence of new energy sources in the future.

The second attitude, on the other hand, is pessimistic and renunciatory; it rejects technology and seeks refuge in an unattainable Arcadia, dreaming of an absurd return to societies long passed.

The third of these attitudes, at once more logical and down-to-earth, is one the importance of which we must bring home to a public which has so far not recognized its true worth. This attitude displays full awareness of the situation; it takes note, without abandoning hope, of a state of necessity; it does not reject out of hand any form of energy, but aims at making use of every source and every possibility that presents itself; it makes a point of assessing the various options in terms of economic and technological costs and bases its own choices on a judicious balance of risks and benefits.

For us Communists this third approach is the right one and inescapable. We realize that the terms 'economic' and 'ecological' have only a relative meaning, and that their value is measured against the benefits accruing to humanity as a whole. What may be economical in terms of profit is hardly ever desirable from the ecological standpoint. On the other hand, something that is economic in the social sense is always ecologically desirable.

This, then, must be the basis for drawing any distinctions. For, it is worthwhile repeating, no form of energy is clean, and each harbours its peculiar risks. The risks attendant on nuclear energy have been dealt with exhaustively and there is no point in going over them again. But the thermal energy of oil and coal also presents the serious disadvantages of pollution by sulphuric anhydride, whose reduction — not elimination — increases production costs by 30%. The thermal energy of natural gas appears to fluctuate; moreover, it burns up a raw material which is precious to the chemical industry. Geothermal energy can make only a limited contribution. Even if we admit that technology is moving toward the utilization of the heat given off by hot, dry rocks, there is a risk that the fissurizing techniques needed to extract heat from the subsoil will spark off earthquakes of serious proportions, which is why current legislation on the subject is proceeding with greater caution. Finally, solar energy requires vast areas to be set aside for insolation purposes, and can be made use of only in certain regions and with results that have so far proved to be marginal.

Hydrogen has also been mentioned. Hydrogen is a secondary form of energy dependent on the availability of large quantities of primary energy. It must not be forgotten that it is a highly explosive gas (we all remember from our childhood days the fate that overtook the Zeppelin 'Hindenburg'), difficult to handle and fraught with dangers. Even the production of hydroelectric energy, despite appearances, causes pollution, because it necessitates regulating the flow of waters and diverting them from their natural beds a procedure which often is in conflict with the needs of dwellings, factories and farms. This is, in fact, subject of open controversy, in my country at the moment.

Nuclear fusion, in which we have so much faith and which we must support, suffered a number of blows at the recent Trieste meeting on plasma physics. Although it was wisely advocated there that these researches — essential for verifying the soundness of the laws of scale — should be continued, it was admitted that no one today can honestly forecast their success with any degree of certainty.

This is why we see a need, in the face of these problems, for a strictly rational approach, intellectual honesty and a deep sense of political responsibility. And what *can* the Community do, Mr President, and above all, what *is* it doing?

It is difficult to give an answer. As regards awareness of the problems that exist, of technical measures to solve them and of the action necessary to cope with the great difficulties arising, I think that the Commission, through its advisory bodies, has certainly laid down sensible and praiseworthy guidelines. We want to make it quite clear that we recognize this, so as to prevent any misunderstanding. As far as political initiative is concerned, however, it must be said quite bluntly that what few developments there may have been are utterly insignificant. Moreover, the Council of Ministers — and not only in this field — lives in a permanent state of paralysis in which the postponement of decisions has become an almost daily routine. What are certainly difficult and complicated problems are shelved for lengthy periods until, after hoping and waiting for some miraculous and painless solution, they become even more complicated.

What lies at the very roots of this situation — and this we would stress quite plainly — is the conviction and political action of a number of political forces in the Community countries who insist on a fundamental distinction between big countries and small countries, who believe in Mr Tindemans' two-speed Europe and hope to profit from a privileged bilateral relationship with the United States.

There is no suggestion of malicious criticism in this overall judgement. It is based on an analysis of the facts, on an impartial study of the situation. It suffices to read the Commission's document No 508 of September 1976, which does not even touch on the

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two main objectives singled out — namely, the reduction of dependence on imported energy and security of supplies of energy materials, the importation of which is inevitable three years after the energy crisis of 1973. The report confines itself to saying that the progress made to date is modest in relation to the degree of urgency of the present situation. All this is clearly confirmed by the Council's press release of 29 March 1977 on energy problems, which reaffirms the intention to help establish a better world energy-market with the rapid introduction of a European energy policy — which implies that such a policy does not as yet exist — and undertakes to proceed forthwith twice a year to an exchange of opinions on the energy situation. As can be seen, there is no major decision here; all that emerges is how little joint consideration has been given to the problem.

Unfortunately, there is little time left. I would merely add that we have constructive as well as critical comments to make. We therefore regret all the more that the speaking-time allotted to me does not permit me to go into them at length.

(Applause)

4. Welcome

President. — Before I call the next speaker I should like to welcome to the official gallery the Council of Elders of the Baden-Württemberg Landtag, which is led by its President, Professor Ganzenmüller. You are very welcome, gentlemen.

(Applause)

5. Energy problems (resumption)

President. — I call M. Giraud.

Mr Giraud. — *(F)* Mr President, ladies and gentlemen, I feel there is no need for me to stress the seriousness, the importance and, I would add, the high standard of today's debate. There is no need to be sorry if certain things have been said more than once, for this will show the Commission and the Council, as representatives of our governments and, through them, public opinion too, that there is some agreement, and even definite agreement, among the various groups represented in this House, no matter how much they differ on other issues. I shall approach the problem not as a technician for, despite ten years' experience of energy problems in the French Senate, I am not a technician but simply a politician with a sense of responsibility.

The first point to deal with is the possible relationship between energy and growth or, if you like, the quality of growth. Is growth a vital necessity? At what price can it or should it be sustained? How can its nature

or quality be changed? What society is faced with here is a choice in the deepest sense of the term. Do we want to return to the caveman era? Are we living in a fool's paradise? Or in a period of advanced technology? It is for each of us to decide. The fact is that there can probably be no growth without energy. Our task is to establish what priority should go to one or the other. The Socialist Group has long discussed the problem without reaching complete unanimity, and this will surprise no one. What I wish to put to you are not radical or comprehensive solutions but simply a number of views which you may occasionally find contradictory.

The first point on which there is general agreement is that we must save energy and fight waste. But are our fellow citizens prepared to make those savings? How far are they weighed down by what is known as the consumer ethos? Are they ready to accept certain changes in their behaviour pattern? A lot has been said about this, but when it comes to brass tacks, I am not so sure that they are.

I come to the second point on which there is general agreement: diversification in energy sources, taking into account their cost, effectiveness and, I would almost add, their relevance. It is not its blades that move a helicopter; the most they can do is to keep it in the air. The sun, the sea, the rivers of the earth and its winds, the earth's heat, these are all fine words, but what is there behind them? In terms of efficiency? In terms of cost? There is much talk of coal, of restoring it to its former eminence through gasification, liquefaction or by some other means. There is much talk of oil, and a previous speaker told us that Alaska can provide what the United States consumes in two years. There is much talk of the atom. But the Socialist Group has not made a choice and repeats, along with all of the previous speakers, that the full range of options must remain open and that it is neither for nor against the nuclear option, but sees it simply as one link in the energy chain.

I come to my third point: it is said that power corrupts. Energy is a form of power and, whatever its form, it brings with it its advantages and its bundle of risks, including that of pollution, for man and the environment. Dams may burst but whole fields and villages are swallowed up in the building of them; the winds are not particularly fair and cannot blow everywhere; the sun does not shine everywhere with the same warmth and it is doubtful if the heat it provides can be used effectively for certain purposes. As for petroleum, the Torry Canyon accident or the more recent and more serious disaster on the 'Bravo' oil-platform show what risks we run and how difficult it is to cope with them. As for nuclear power, we can say that it has caused no deaths so far. But who in this House would dare assert that there will be none tomorrow and that no nuclear incident or accident

Giraud

will claim a thousand, two thousand or ten thousand lives?

What I mean to say is that we are trying to keep a clear head and weigh up the advantages and the disadvantages. Someone earlier on mentioned the much-discussed Rasmussen Report, according to which the dangers are not much more than negligible. But if those very dangers took concrete shape tomorrow, what blame would be ours! I would therefore say that the most expensive form of energy — and Professor Burgbacher has said it before me — is the one that cannot be made available soon enough. And I might perhaps quote Charles Péguy, who said of Kant's moral philosophy: 'Kant's moral philosophy has clean hands, but it has no hands'. The only genuinely clean form of energy is one which, to all intents and purposes, does not exist. It is with this in mind that I shall briefly outline, on behalf of my group, some of the prospects as we see them and some of the conditions we should like to see fulfilled. The first has already been mentioned. I refer to the need to tackle the energy problem in an open and democratic manner with maximum emphasis on cooperation and the involvement of all shades of public opinion. But, as was pointed out earlier, it is perhaps too late for some forms of energy.

My second point: safety first. Safety all along the line, particularly in the case of uranium or similar products. And this ties in with what Commissioner Brunner said about the disappearance of a uranium consignment. Dangerous products must be monitored from the time they are mined until nothing remains of them — in other words, until the power-stations are taken out of service and dismantled or until the by-products are stored or reused in some form or another.

My third point is the absolute need for a Community policy. We talk too much about the Community and do too little. And if there is one sector in which the Community must do something, then it is assuredly the energy sector. But what has happened so far makes a sorry tale. Euratom was sacrificed in the interests of national research but, in the end, national research was not genuinely promoted. The miserable progress of the JET project, with which you are well familiar, Mr Brunner, amply proves that, for really secondary considerations such as the choice of site, Europe is incapable of wanting of genuine political will of cashing in on the undisputed technological advance that it enjoyed. There are some who will say that giving up the nuclear option is in itself a bad thing. Just recently, a number of trade unionists in several Community countries, whose views are otherwise at variance and sometimes even diametrically opposed, issued authorized statements in which they stressed that social policy had no future in Europe without some contribution from atomic energy. These

statements were made in Germany, France and elsewhere. What would the reaction be if all sources of atomic energy were closed down tomorrow? How much would be said about the increasing numbers of unemployed, the decline in the gross national product and all that this would imply in a Europe which is already powerless to cure its unemployment? We cannot, therefore, give up this form of energy. And here I should like to say what is perhaps a personal word — for I have not consulted the members of my group — on the policy of the United States.

I do not stand under the suspicion of rabid anti-Americanism. I am chairman of the French delegation to the North Atlantic Assembly, and when I am criticized, it is generally for being too favourably disposed towards the United States and not the contrary. But I must make it publicly quite clear that Europe is not the United States, that Europe cannot give way to the United States on such a vital problem, for Europe's energy situation is not that of the United States. The circumstances in the United States and in Europe are different. Mr Couve de Murville recently said, 'Puritans confuse their interests with their morality', and Alexis de Tocqueville, who was an authority on the United States, said last century, 'In the United States, virtue is considered to have its uses', a well-made point that is worth remembering.

I have been one of those who felt that President Carter's policy was based on moral principles, which I hold in the greatest respect and am sorry to see not more often applied and turned to account in the world's affairs. But one thing is certain, and that is that Europe's energy future cannot be guaranteed unless we assert our independence in this sector, not as an act of hostility but as a matter of necessity. We heard earlier of the recent discovery by my namesake and friend, Mr André Giraud; I would say that this French discovery can be seen as proof that we Europeans are anxious to push ahead with atomic energy without in the least condoning the spread of nuclear technology, which is not simply a potential but already a present danger.

I shall conclude by saying that given our requirements, of which we are all aware, Europe must seek to strike a balance between its energy requirements and the need to protect man and society in its environment. And if Europe has a will, it will find a way.

(Applause)

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

Mr Zeyer. — *(D)* Mr President, ladies and gentlemen, it is my task to put to the House the views of the Christian-Democratic Group on the Commission's proposal for a regulation on Community financial measures to promote the use of coal in power-stations.

Zeyer

We should first like to thank Lord Bessborough for his outstanding and comprehensive report, and we share the Commission's view that more forceful energy-policy measures are required to promote the use of coal in electricity generation and to ensure a satisfactory capacity for coal-fired power-stations. The Commission's proposal is in line with the Community's long term energy strategy, as decided by the Council in 1977, of reducing dependence on oil imports by drawing on alternative sources of energy. It is already clear, ladies and gentlemen, that the development of nuclear energy between now and 1985 will fall far short of the targets set some time ago. The debate on nuclear energy is being conducted with increasing passion and commitment in every country of the Community. Protests organized by private citizens are holding up the construction of nuclear power-stations, and if appropriate steps are not taken immediately, we are faced with the prospect of an energy gap by the mid-eighties at the latest. This gap can be partly closed by the increased use of coal in power-stations. I deliberately used the word partly, for we are perfectly well aware that even with the increased use of coal, a bottleneck is unavoidable.

If more coal were used in power-stations, this would also improve the sales position of the Community's coal industry. Under the Commission's medium-term guidelines for coal, submitted in 1975, production is to be raised and maintained in the long run at an annual level of 250 million tons coal-equivalent. This target already seems to be in jeopardy. Over the past few years, Community coal production has fallen appreciably while imports from third countries have risen considerably, last year's figure being upwards of 45 million tons. Stocks at the pithead have expanded and now stand at record levels. The Commission has therefore submitted a proposal for Community financial measures to fund pithead stocks of cyclical origin. We therefore find it most welcome that the proposed regulation before us gives priority to projects that involve the use of mainly Community coal. We also realize that, in the nature of things, imported coal, too, must be used and promoted.

Finally, the Christian-Democratic Group shares the Commission's view that the planned Community promotion measures should not replace, but rather supplement and support, the efforts made by the individual states. This is the only way in which the objectives set in the proposed regulation can be effectively achieved.

Ladies and gentlemen, since this is a debate on energy, allow me to conclude with a few remarks on the opportunities for, and the prospects of, coal processing. The end of oil supplies is already in sight. According to OECD estimates, the world's oil reserves will last for another twenty, thirty years. For this reason alone we must expect rising price-trends until

reserves are exhausted; the price policy of the OPEC countries will do the rest. Technologies which are not yet commercially marketable in the Community might become economically viable in the eighties. Coal liquefaction and other forms of processing are likely to acquire increasing importance. The end of the petrochemical era is in sight and liquefaction, both of soft and hard coal, might well be the answer to the chemical industry's need for raw materials. In the electricity production sector, too, there are signs of further opportunities for coal in the form of a new technology for both conventional and nuclear power-stations. What we must do is improve traditional methods, some of which have been in use for several decades, and develop new ones. In the nuclear sector, great hopes are being pinned on the high-temperature reactor, but we know that it will not be ready for industrial use until the nineties. This, ladies and gentlemen, makes coordinated research into coal-processing methods absolutely necessary. We take the view that the Community must make common efforts in this field and we urge the Commission to give this task its full attention.

(Applause)

President. — I call Mrs Kruchow to speak on behalf of the Liberal and Democratic Group.

Mrs Kruchow. — *(DK)* I should first of all like to thank Mr Brunner for his answer. But the fact is that we must be prepared to do something when we realize that wasted energy is a disaster. Mr Brunner agrees that we must have extensive building restrictions in order to save energy, but it is tragic to look at the new building we are sitting in. I wonder how much energy it uses for heating, ventilation and light, when compared with the old building. The European Parliament is the worst possible example to mankind with regard to energy savings, when it agrees to hold meetings in a building such as this, where energy is wasted right, left and centre.

With regard to Mr Jahn's oral question on environmental pollution, I fully share his anxiety and agree with the views he expressed at the last part-session. Gradually, much is being learnt at the highest political, economic and scientific levels about the connection between pollution and energy production. But how do we usually behave? — Most of the time as though we knew nothing. There is no point in the learned producing research results when we can get neither ourselves nor others to behave in accordance with them. Has the resolution in the Walz report on nuclear power-plants, adopted by this Parliament, been implemented in any way, for instance? What have the Council or our national parliaments done about that report? It is over 15 months old. Could we not be told something about it? As far as I know, not very much has happened.

Kruchow

But irrespective of the type of power-plant, coal or nuclear, we must draw up a pollution balance-sheet and compare it with our investments in energy production. Will the Commission take the initiative? We shall certainly find out that savings could be much more of a paying proposition than we have been told so far. The air, water and land pollution balance-sheets assume alarming proportions, not just economic but ecological too, when we think of what we know of the foodchain.

I thank the Commission for what it has said here today about the Ekofisk disaster. But if, at the June meeting, the Council merely discusses safety measures for similar disasters in the future and does not immediately investigate the effects on the fauna and flora on and above the seabed, then it is playing blind man's buff with reality. Will the Commission recommend that a research project be started immediately so that we can find out where all that oil has suddenly disappeared to? I know that it evaporates in various ways, but I also know that there are some large, thick, unwholesome slicks left which will, they say, probably sink down to the seabed. Perhaps a very small amount will reach our coasts, but what about all the oil that is quietly and peacefully sinking so that it can't be seen with the naked eye? The time has now come to stop playing blind man's buff and to face the facts. Our national parliaments must make an effort to get the Council to set to and agree to do something. But it would obviously help if the Commission took the initiative and perhaps made some calculations that would make a bigger impression than so far.

(Applause)

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

Mr Krieg. — *(F)* Mr President, ladies and gentlemen, what I have to say will certainly not be original, but how could it be otherwise when we are told that one of Europe's main weaknesses is its poverty in raw materials and energy in particular?

This explains why the first priority we set ourselves a long time ago is precisely to ensure that our Community is satisfactorily supplied with energy. Our purpose is to reduce our dependence on all forms of imported energy and oil in particular; it is also to reduce our energy dependence on a certain number of countries, and, finally to diversify our sources of supply.

With those purposes in mind, we have drawn up a number of energy programmes over the years which were often ambitious and very often — almost always — comprehensive. We have concentrated our efforts on the development of a few new sources of energy; I shall simply mention electronuclear energy, North Sea oil and also, although this is not a new source, Community coal production. It is on this that I should like to offer a few comments.

Thanks to a certain number of Community incentives, coal production in the Community over the last few

years has shown a favourable trend, but it is faced with what is essentially a commercial problem: demand is not strong enough, since the countries of the Community prefer imported coal as it is cheaper. The Commission proposal before us today sets out precisely to reduce our dependence on imported oil and to promote the use of coal and, more specifically, Community coal in power-stations. Although sales of coal within the Community were ten million tonnes higher than a year earlier, stocks of coal and coke in the hands of producers totalled more than fifty million tonnes at the end of 1976. Imports rose from 30 million tonnes in 1973 to 42 million in 1976, and the figure for 1977 may be as high as 47 million tonnes. This shows that it is not enough to provide aid for stocks but that the primary need is to stimulate the demand for Community coal.

My group therefore welcomes the Commission's proposal, considering that it is necessary and has come at the right time. The method chosen by the Commission — non-refundable aid covering 30 % of investments in coal-fired power-stations, regardless of whether imported or Community coal is used — is undoubtedly one of the best imaginable. And it is all the better for being payable on top of the aid granted by the Member States or from other Community sources. As regards the Commission's proposal to allocate a total of 500 million u.a. spread over 15 years, with a maximum of 50 million u.a. per annum, there are two questions which immediately spring to mind. The first is on what basis the overall figure of 500 million u.a. was decided, how it was calculated. The second is whether it is really essential to set an annual ceiling of 50 million u.a. or whether it would not be better to adjust it to requirements over the next few years. As regards the choice of projects, I feel that although priority in the allocation of aid is to go to electricity producers who decide to use Community coal, it would be advisable not to withhold aid from power-stations using imported coal. My group definitely approves the priority granted to users of Community coal, provided that it is no more than a priority.

Furthermore, if this measure is to provide an effective incentive, it is vital to make it as clear as possible how this priority will work in practice. And here there are a number of questions to which we should like an answer, Will the choice be left to the Commission's departments? If so, what objective criteria will they apply? Will those who use only Community coal be served first, with the others taking what is left, or will there be some sort of breakdown? And, if the first alternative is adopted, how useful would a reserve for consumers of Community coal be?

In closing, I should like to say that the Members of this House can be entirely satisfied with the opportunities for supervision afforded by the system of payments by instalment and also with the Commis-

Krieg

sion's commitment to submit regular reports to this House. Mr President, ladies and gentlemen, it is for those reasons that my group will shortly vote in favour of Lord Bessborough's report.

(Applause)

President. — Before I call the next speaker, I should like to discuss a problem with which we are faced in the management of the business. It had been intended to complete this debate this morning. It would now appear from the way things are going that we shall not be able to finish until perhaps 2.10 or 2.15 p.m. We would then be faced with a very brief adjournment before Question-time, starting at 3 p.m. I would suggest therefore, unless there are any objections, that the most practical thing to do would be to adjourn at 1 p.m. and continue this debate at 4.30 p.m., after Question-time.

Are there any objections?

That is agreed.

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

Mr Osborn. — Mr President, this debate has been really about energy strategy, and as I come to speak towards the end of it, the threads are a little hard to follow: I very much hope Mr Brunner will pull the strings together and let us look forward. Obviously we are specifically interested in the strategy, as against policy, for Europe and the Western world, although this must be in the light of world energy requirements. We are interested, in the Community, in appreciating the new pressures, the new advantages and disadvantages for each Member State, of pursuing certain policies and certain lines of development. But more recently we have become more concerned with environmental pollution, with safety in every sense, and with energy conservation. In this connection I have asked questions in my own country, and I shall be tabling written questions here. President Carter has used the phrase 'tax incentives' — and I don't mean disincentives to using energy, I mean incentives to saving energy — and I believe that in this the Community will go along with the President.

Now turning to the motion by Mr Fellermaier, on which Mr Prescott spoke, on the disappearance of 200 tons of natural uranium in 1968, I think it is wrong for parliamentarians to pursue a witch-hunt, and I rather regret that Mr Brunner spent so much of his time explaining the situation. Nevertheless, this is a vital issue, and I would stress the importance on behalf of my group — and Mr Normanton did not mention this — of establishing the best reasonable human and physical control in order to establish the confidence of the citizens of the Community in the future, both suppliers and customers. The Euratom report should be examined by the Committee on

Energy and Research of the Parliament, and I would remind Commissioner Brunner of Mr Jenkins's undertaking to treat Parliament as if it were directly elected.

I return to one other issue of security, and that is the question of Ekofisk. Extracting oil on continental shelves will be costly and hazardous and needs the utmost safety, and it is in the interests of all the operators that that safety should be practised. To what extent, though, on the North Sea is it a national interest or a Community interest? I hope that consideration will be given to establishing a European fire-fighting force, obviously including the Norwegians as well as the Community. There is also a need for all those surrounding the North Sea, or any continental shelf, to have adequate powers of inspection given by one government, several governments, or in our case of the continental shelf, the Community. The United States obviously have more experience in safety because they have been leading, and I hope we can learn from them.

I come back to the importance of what Mr Carter said and to the question that I would like to ask: what are the views of the Commission on President Carter's statement on energy policy and in the extent to which this policy might be implemented in the Community, and what would be the dependence on the non-Communist world of OPEC by 1985? I would suggest that although President Carter's policy for the United States is based on good moral reasons, as Mr Giraud pointed out, it will result in worsening the crisis as it faces Europe, and if that is the case we should understand it and the reasons for it.

Obviously the most important step — and Mr Normanton referred to this — is that the United States of America has recognized that it is consuming too much of the world's oil and gas supplies too rapidly and too extravagantly. President Carter is taking steps, and bold steps, in his own country to remedy this. Speakers have mentioned the nuclear power programme, the problem of plutonium proliferation and the impact of a fast-breeder reactor, which is very much at the heart of European development for the future. Not only Britain and France, but also Japan, have worked on the fast-breeder reactor and experience has been based on decades. Therefore, what consultation is now taking place to ensure the future? I think we should note the statement by President Giscard d'Estaing on a solution which we should know much more about in this Parliament.

I now come to Lord Bessborough's paper. First of all, I want to mention Drax, because it is near the Selby coalfield: Sir Derek Ezra and the Yorkshire MPs very much hope that representatives of the Community will come and see what is going on there.

One issue which I will not dwell on, although it has been a cause of controversy, is the decision to use an

Osborn

order by the Government — or instigated by the Government — to impose rationalization on the electricity-generating construction industry.

But the other issue is the use of coal-fired power-stations for electricity at a time when there is excess capacity in one Community country. The CEGB chairman, Mr Hawkins, had implied that it was money wasted and would cost the consumers more to install this extra electrical generating capacity, even though it may use coal. There is a case history to illustrate the excellent presentation put forward by my colleague, Lord Bessborough, and I would very much like the Commissioner to comment on the need for more coal-generated electricity, let alone nuclear-generated electricity and what we do when we have an excess electrical capacity at the present time. As I sense it, the Community, and for that matter the world, should be moving to use up that capacity as quickly as possible and not depend on supplies that are subject to exhaustion. In Britain we have new reserves in Beaver and in the East Nottingham area which could be exploited. It would be deep mining, but with automation and modern techniques I am certain a contribution could be made, so that Britain could export not only oil but coal, gas and perhaps electricity to the Community. But Community funds could be used as well as national funds to deal with relevant problems.

I briefly want to touch on gas from the North Sea, the Celtic Sea and the Continental Shelf. The decision to raise prices was probably in accordance with what we have said in this Parliament and in the Committee on Energy and Research, but is hotly resented in Britain, the country where the consumer has to pay. Natural gas round our shores obviously has limited life, and if it is right for President Carter to increase the price of oil, particularly imported oil, it is right for us not to take advantage of a cheap source of energy which is of limited duration. Therefore what is the short-term interest of the gas industry may not be in the long-term interest of the Community or the Community's consumers. What is essential is that the gas which is inevitably going to come out of the sea must be used. I detest the flaring of gases, whether it is in the Middle East or on the North Sea, and we must ensure that there is no wastage there.

Turning to the future, I think we want to know more about the future of fusion, because this will resolve many of our anomalies of security and proliferation, if we can find a firm way ahead.

The Community must have a policy on fast-breeder reactors, because that is in a stand-by situation, and that policy will inevitably have to be changed to meet the suggestion put forward by President Carter.

In Britain, at Windscale, and in Germany, near Bremen, there are problems about building reprocessing and enrichment plants, and there are environ-

mental problems. The Community must take a lead with national governments in reassuring the population that this must go on too. Our debate seems to imply that energy is to be transmitted and used in the form of electricity and that it will have to be nuclear-generated, but we are looking to coal and we are providing the funds to have that coal-fired electrical generating capacity.

Finally, I touch on the comments by Mr Giraud. He talked about energy and growth. Energy is essential for food and agriculture and for the fertilizers that go with it, our warmth, our transportation, our productivity. Energy is not cheap and energy may be scarce. If we work together we can do something about it. Therefore if I say that the President of the United States's initiative may have embarrassed us, at least he has made a proposal that we should listen to and we should try and find out what is now best for Europe and quickly.

(Applause)

President. The sitting will now be suspended. This debate will be resumed after Question Time.

The sitting is suspended until 3.00 p.m.

(The sitting was suspended at 1.05 p.m. and resumed at 3.05 p.m.)

IN THE CHAIR : MR COLOMBO

President

President. — The sitting is resumed.

6. Question Time

President. — The next item is questions to the Council and Commission of the European Communities (Doc. 92/77), pursuant to the provisions of Rule 47A of the Rules of Procedure. When putting questions, Members should observe the procedure governed by these provisions.

We shall begin with questions to the Commission. I request the representative of the Commission to reply to the questions, and to any supplementary questions that may be put.

Question No 1, by Mr Nyborg :

Subject : Assistance for the development of new methods of fishing

Has the Commission, as promised earlier, started its investigations by trying out new fishing methods designed to promote the fishing of hitherto unexploited fishery resources, for example, species of fish living at some depth ?

Mr Tugendhat, Member of the Commission. — In its proposal for a Community system for conserving and managing fishery resources submitted to the Council on 6 October 1976, the Commission set out to

Tugendhat

encourage efforts to intensify the search for new species or new grounds and research into techniques for exploiting and improving the marketing of species of fish not used or under-used for human consumption. These incentives, which would form part of a comprehensive set of measures in the structural field, are intended to divert excess Community fishing efforts towards new or under-exploited resources, such as blue whiting and blue ling. The Commission within the confines imposed by the limited staff resources in the fisheries sector, is continuing to follow developments in this important field with great attention. However, as the issue is part of the more general problem of the reorientation of fishing efforts within the 200-mile zone of the Member States, it will be difficult to apply the above measures until the Council reaches an agreement on the overall fishing policy to be pursued.

Mr Nyborg. — *(DK)* I am sorry to say that the Commission's answer is very unsatisfactory. We have raised this question before and discussed it in Parliament. We all know what grave problems there are in the fishery sector. We know that there are quotas for the well-known types of fish, and I have previously asked the Commission whether it was doing, or intended to do, something to find alternative types of fish and how they could be caught — I am talking of fish that are to be found farther down near the seabed. Has anything been done, is there any intention of doing anything, to investigate further the use of these types of fish as food, and is anything at all being done for this type of fishing? I do not think the Commission has given us an answer to this question today.

Mr Dalyell. — As one who in the House of Commons has asked about six successive questions on the blue whiting research, having a constituent involved, might I ask the Commissioner what rôle he sees for the Commission on blue whiting — which I can see might not be his special subject — as opposed to the work that is done in national states?

Mr Tugendhat. — As the Honourable Member so rightly says, Mr President, blue whiting has not been a special subject of mine until now, but it does seem to me that where the Community is faced with a wholly new situation, in regard both to the fishing limits themselves and to the types of fish which it is now envisaged should be brought out of the water, there is a certain amount that can be done on a Community basis in order to ensure that the immense capital investment and the other preparations that are required for a very substantial change of this sort are undertaken in the most economical fashion—in order to prepare the industry — and, indeed, to create the market for something which is at the moment quite new.

Mr Prescott. — While I appreciate the difficulty of resolving this problem in view of the absence of a decision on a common fishing policy at this stage, perhaps the Commissioner could consider the possibility of financing special research into this matter by chartering a boat and considering the possibility of deep-sea fishing, which I think is the point Mr Nyborg is making. That is a possibility. Secondly, since we have the President of the Commission here, could we have some comment from the Commission on press reports in Britain that some secret deal was done with Britain and Ireland about fishing in the 50-mile Irish waterlimit?

Mr Tugendhat. — So far as the latter part of the honourable Member's question is concerned, we have no knowledge of a secret deal of that sort at all, and there is nothing therefore that I am able to add to the answer I gave that this is a major subject and that the points which the honourable Member raised at the beginning of his question are exactly the sort of thing which it seems to me that the Community should take account of, but we do face a very serious shortage of staff; people who are expert in fisheries are by no means common, and we also, of course, have to operate, as I am acutely aware, under a very stringent financial régime.

Mr Corrie. — Can the Commissioner say whether there is full cooperation between all the nine countries on exploring for new types of fishing and new fishing gear, whether this is done individually by countries or by the Nine as a community, and whether we are looking at areas within EEC waters that we can go to for new types of fishing?

Mr Tugendhat. — The answer to all the questions by the honourable gentleman is that there is a great deal more that could be done.

Mr Nyborg. — *(DK)* Mr President, I am sorry to say that I have still not received an answer to my question. In order not to surprise the Commission, let me say now that I intend to raise the question again in July.

Mr Tugendhat. — I can only take note of what the honourable gentlemen says.

President. — Question No 2, by Mr Leonardi :

Subject : Stage reached in the integration of Europe

Twenty years after the signing of the Treaties of Rome, does the Commission of the European Communities not consider it the right time to draw up a critical survey with supporting documentation, summarizing the results of and pinpointing the stage reached in the construction of the Community, to enable the European Parliament to make a proper assessment of the work accomplished?

Mr Jenkins, President of the Commission. — As the honourable Member knows, the Commission already publishes a range of comprehensive material about the work and development of the Community, most notably the annual report of the Commission and the presidential address that accompanies it. The Commission is always ready to add to the information there provided. In addition, the regular publications of the Commission and those planned in connexion with direct elections will aim to give an overall view of the history and achievements of the Community since its inception. I do not believe these reports do, or should, avoid balanced criticism of the development of the Community. Taken together, I believe they will provide the overall review which the honourable Member has in mind, without a further special exercise being necessary.

Mr Leonardi. — (I) I wish to point out to the President of the Commission that my request was for a critical survey summarizing the activities of the past twenty years.

I am perfectly aware of the documentation published by the Commission and the studies it has undertaken — some of which are of great value — but what I am requesting today, and with an eye to direct elections to the European Parliament, is a critical survey.

This document should take as its reference point the Spaak report of April 1956, which represented the doctrinal basis of the Treaties. It is from this particular standpoint that I am asking for a survey of the Community's activities over the past twenty years.

Mr Jenkins. — I think I understand very well what the Honourable Member has in mind and I have considered his question carefully. One should not become too obsessed by anniversaries, but at the same time 20 years is a good period after which to consider what has been accomplished, the extent to which hopes have been realized, the extent to which they have been disappointed, the directions for the future.

I am not, however, totally convinced that an analytical document by the Commission is the right way to approach this, and his own stress on the philosophical aspect somewhat confirms me in this view. What I think is that all of us ought at the present time to look at the past and from the past try to learn for the future; but this, in a way, is inevitably a subjective rather than an objective piece of work. I shall certainly endeavour to do so myself in pronouncements I make, and I have no doubt that many Honourable Members of this House will do the same, but it already seems to me something which, provided the basic facts are available, is best done by individuals, whether they be in the Commission or Members of this House or members of the public according to their standpoint. I do not feel that it is something on which, if, say, one were to take four or five officials and ask them to

spend a few months doing an analysis, one would get a particularly illuminating document. I have no doubt it would be well written and provide a lot of facts, but it is a question of philosophical standpoint, and philosophical standpoints are a matter for us as individuals, whether we be in the Commission or Honourable Members. I am not in the least unsympathetic to the approach of the Honourable Member, but I am not sure that it can best be accomplished by the services of the Commission working on a factual basis.

Mr Hamilton. — Does the President agree that an important element in the progressive development of the Community lies in increasing the effectiveness of this Parliament and that involves a very quick decision on a permanent site for the Parliament instead of roving around Europe as we do now? This enormously increases the ineffectiveness of this place, which is not helped by the establishment of this new building here in Strasbourg. The sooner we get out of Strasbourg the better. Would the President not agree with that assessment?

(Laughter)

Mr Jenkins. — Well, I have only arrived in Strasbourg in the last two hours. I hoped, having been doing even more roaming than my Honourable Friend in the past few days, that I might be allowed to stay here for a few hours at any rate without immediately leaving again, but I take note of what he says. Clearly there are difficulties and disadvantages to a peripatetic rôle for the Parliament, but I do think that this is a subject very much for the Parliament and is certainly not a subject to which it would be appropriate for the Commission in an analysis of the past 20 years to provide a solution, or, as it were, to attempt to impose a solution so far as the Parliament is concerned.

Mrs Dunwoody. — Would the President of the Commission not under-estimate the abilities of his colleagues and draw up a very honest balance-sheet, not only of the advantages and the gains of the last 20 years but of the disadvantages and the failures? Would he not feel that that might show in which areas there was an urgent need for very considerable changes in policy, particularly, for example, in the agricultural field? Should he not feel, running up to the direct elections, that it is that kind of honest assessment that might persuade more people that there is a future in the European Community and not the other way about?

Mr Jenkins. — I am in favour of an assessment, and certainly an honest one, of all the policies, including the Common Agricultural Policy, but I think the intervention of the Honourable Lady, my Honourable Friend, indicates that this is not necessarily a matter of purely objective analysis. Were the Commission in

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its wisdom to produce a report, I am not sure that it would necessarily command her support, and if it did, I am sure it would not command the support of a great number of other Members of this House. There is nothing wrong with this: the House exists in order to have clashes of opinion; but it does illustrate the point I am making that where one is dealing with fundamental, philosophical questions it is a mistake to think that a factual analysis conducted by an organization can provide the answers to our philosophical aspirations.

Sir Brandon Rhys Williams. — Would the President not agree that in the past 20 years Europe's rôle has been to create an economic Community but that in the next 20 years what we have to achieve is the creation of a democratic Community, and that in this the Commission has a special part to play, showing the electors of Europe that the Community is not just a matter for governments, officials, big companies even, but for the voters themselves, and that the Commission has a particular rôle to play in clarifying the issues which will be the subject that the voters will have to decide upon?

Mr Jenkins. — My view, Mr President, is that in the past 20 years Europe has sought to achieve certain fundamental political ends by economic means and this indeed, I have always seen as being the broad direction of Europe. I hope that will continue to be the case, but I agree with the Honourable Member very strongly that one of the next phases in this progress is a concentration upon the strengthening of the democratic element, which is precisely why the Commission, as I believe, this House, as a whole, attaches such importance to urgent progress with direct elections.

Mr Leonardi. — (I) Obviously, I am not asking the President of the Commission to indicate what political ideology or philosophical concepts should be adopted. That is evidently not his duty.

When referring to the Spaak report — the fundamental document of the Community — my wish was not to obtain from the Commission a list of mutually indistinguishable statistics, but that, as custodian of the Treaties, it should set out information — on which we can each put our own interpretation — on the extent to which solutions have been found to the main theoretical problems raised in the Spaak report, such as economy of scale, the elimination of disparities between the various Member States, employment for young people, agriculture and so on.

Mr Jenkins. — I can assure the honourable Member that if he wishes any information from the Commission, and will put down questions, we shall do our best to provide that information. I will also consider whether, when looking back at the Spaak report, it

would be useful in one of our publications to provide an attempt at an analysis of how far we have advanced and how much of those objectives have been achieved. I would gladly do that, but I think that the short debate which we have had — the short exchange we have had — which, if I may say so, I am grateful to the honourable Member for having provoked, has indicated that this does necessarily raise wide-ranging philosophical questions on which there are bound to be different views. But if there is any factual information, any careful analysis which will help the honourable Member and this House, the Commission will be ready to provide it.

President. — I call Mrs Dunwoody on a point of order.

Mrs Dunwoody. — Mr President, I would be very grateful if you would give us some indication as to whether this is, in fact, Question Time, and if so, how many supplementary questions one has?

President. — Mrs Dunwoody, I was about to make exactly the same point myself.

Obviously, the whole purpose of Question Time will be lost if, instead of confining themselves to putting supplementary questions, Members begin to make independent statements.

I call Mr Spicer.

Mr Spicer. — Further to that same point of order, Mr President, may I give you an assurance that you will have the full support of this House if we return to making this Question Time and do not engage in what has already been termed 'short debates'. That is not what we want. We do not expect, as Parliamentarians, all of us to be called if our names are on your list. We expect you to act as the arbiter in this, and to cut short on a question and to move on to the next question when you feel that we have exhausted the subject, and we give you our full support on that.

Mr Evans. — Surely, Mr President, it is not in order for a Member to have two supplementary questions?

President. — Question No 3, by Mr Bangemann, and Question No 4, by Mr Krall, are both on the same subject, geothermal energy, and I shall therefore call them together:

Question No 3:

Can the Commission indicate what progress has been made in the exploitation of geothermal energy and what are the prospects for using it on an industrial scale?

Question No 4:

Can the Commission state what importance is attached in its research policy to the exploitation of geothermal energy?

Mr Brunner, Member of the Commission. — (D) The Community's energy research programme accounts for 59 million u.a. Of this, 13 million u.a. is being

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spent on geothermal energy. We are aware of the importance of this sector, but doubt whether it will be possible to derive more than 1% of the energy consumed in the Community from geothermal sources by 1985. Our feeling is that account must be taken, in the case of this form of energy, of the fact that the sources in the Community are scattered over an extremely wide area. There are geothermal reserves in the Paris Basin and in Larderello in Italy. A great deal of progress has already been made in this sector in Italy. Of the 1 300 megawatts produced in the world with geothermal energy, 420 megawatts is accounted for by Italy. Bearing in mind the specific situation which we face in the Community, therefore, we will press ahead with our research efforts in this field.

Mr Noè. — (I) What progress has been made in the utilization of dry rocks — the only technique likely to make a significant contribution — and to what extent is the Community kept informed of research carried out in this field in the United States?

Mr Brunner. — (D) It is quite true to say that the United States has made considerable progress in this field. The United States uses this method to produce a major part of its geothermal energy. In all it produces 500 megawatts with geothermal energy. The Joint Research Centre has close contacts with the research institutes concerned, and we will also be trying to master these difficult techniques as time goes on.

President. — Since its author is absent, Question No 5, by Mr Zywiets, will receive a written answer.

Question No 6, by Mr Hamilton :

Subject : Working conditions of seamen.

What steps have been taken by the Commission in recent weeks to urge member nations of the EEC to ratify ILO conventions concerning wages and working conditions of seafarers?

Mr Vredeling, Vice-President of the Commission. — (NL) In recent weeks, the Commission has had contacts with the seamen's representatives from the countries of our Community. The ILO Convention on seamen's wages and working conditions was also discussed. It was agreed that the representatives of the seamen's organizations would submit an action programme to the Commission and the Council. On the basis of this and of the results of a similar study on the work and rest-times and salaries of seamen in the Member States' merchant fleets, the Commission will then determine what practical steps can be taken. It is certainly also necessary to work out how we can persuade our Member States to ratify the ILO Convention on seamen's pay and working conditions.

Mr Hamilton. — The Commissioner will recognize that this question arises from the debate that we had

in the last part-session on the disgraceful episode of the oil-tanker 'Globtik Venus', when I specifically referred to a very important ILO Convention of 1976. Commissioner Burke then indicated that it was too early to expect ratification of that convention by the governments concerned, and I would like to be reassured by the Commission that they are bringing proper pressure to bear on the relevant national states to expedite ratification of what is a very important, very fundamental convention.

Mr Vredeling. — (NL) The European Parliament held a thorough-going exchange of views on the Convention and its ratification by the Member States at its last part-session. On that occasion, on behalf of the Commission, I was able to promise that we would make contact with the ILO to determine in general how the Community could make better use of the ILO Conventions. We shall seek ways and means to get the Community as such to subscribe to these important conventions. We want to leave the individual countries to play their rightful rôle in this matter. I am able to inform you that I shall be meeting the General Secretary, Mr Blanchard, at the beginning of July at the ILO Conference in Geneva. This matter is due to be discussed. So much for the conventions in general. As regards the convention on seamen in particular, I should also like to state with reference to the incident — the case of piracy — which the Commission also looked into, that this sort of unlawful activity must be countered. Matters of this nature should therefore be kept constantly under discussion.

Mr Prescott. — Could the Commissioner confirm that he is aware that the European seafaring trade unions have called for harmonization of wages of the seafarers in Europe, particularly in view of the fact that freight-rates are harmonized through freight-rate conferences?

Mr Vredeling. — (NL) The Commission is indeed aware of that fact. I mentioned a moment ago that we have been in contact with the organizations referred to by Mr Prescott. The Commission will probably shortly be calling a conference of employers and employees in this field. I have every hope that we shall succeed in bringing the parties together.

President. — Question No 7, by Mrs Kruchow :

Subject : Contaminated foodstuffs outside the immediate vicinity of Seveso.

Since it appears from the daily press (*Le Monde* and the *International Herald Tribune*, both of 21 April) that high concentrations of the dangerous poison dioxin have now been found outside the closed-off area around Seveso, in Italy, can the Commission state what steps are being taken to prevent contaminated foodstuffs, for example vegetables and fruit, from being sold, in Italy and elsewhere?

Mr Natali, Vice-President of the Commission. — (I) The Commission is aware that a recent survey showed a high level of dioxine pollution in an area situated within the commune of Cesano Maderno, near Seveso. The inspections which were immediately carried out by the competent authorities failed, however, to confirm these findings. Given the possibility of isolated pockets of pollution, the findings of the inspection analyses would seem to reflect the statistics previously given in respect of zone B, where the level of pollution is lower. The area in question covers part of zone B and borders on part of the isolated zone.

In respect of both zone A, where the level of pollution is higher, and these other areas, the competent authorities took various measures, including a ban on the production and use of agricultural products. These measures are still in force.

Mrs Kruchow. — (DK) I would like to know whether we can expect the Commission to let us know what the results of these analyses show in three months' time. Could we not at least have a list of the investigations being carried out by various groups and be told how they are being coordinated? When leading international newspapers announce on the same day that contamination is high outside the A zone, can we not be assured that sporadic checks are being made over a much larger area than previously? When the story is splashed in the way it is people become alarmed, and as I have not received an answer to my question, I repeat it: how do we ensure that exported vegetables are not contaminated? Are spot tests taken of the crops in these areas? I would like to be sure of that. There are different degrees of contamination; some can be fatal and others are less dangerous, but we must know for sure. It is a matter of concern to all the peoples of Europe.

Mr Natali. — (I) I have already explained that agricultural production is prohibited in the areas mentioned in the press.

As regards the wider issue involved, the local authorities are drawing up an environmental protection programme. In addition, the Commission is taking part in a series of studies in collaboration with the national authorities. I shall, of course, be happy to publish the results of these studies once they have been completed.

President. — Question No 8, by Lord Bessborough:

Subject: Electric vehicles

Firms in Member States are known to be developing a variety of electric vehicles. Has the Commission considered purchasing electric vehicles for use as vans, minibuses and taxis in the Brussels area with a view to assisting firms in their development of these vehicles and to demonstrating their acceptability?

Mr Tugendhat, Member of the Commission. — Firms in a number of Member States are known to be developing a variety of electric vehicles, but the

Commission itself does not intend to purchase electric vehicles for its own fleet in the immediate future. We shall wait until vehicles of this kind have been further developed and then consider acquiring them in the light of the Commission's needs. However, the Commission is extremely interested in the potential contribution of electric vehicles to Europe's energy and environmental problems, and is currently engaged in discussions about the establishment of an electrical vehicle association of Europe.

Lord Bessborough. — While thanking the Commissioner for that reply, which is to some extent encouraging, in view of the importance of these vehicles in reducing the Community's dependence on oil, would the Commission encourage Community firms to develop high energy-to-weight-ratio storage batteries, particularly those, of course, which are capable of being recharged during off-peak periods? Would the Commission include a suitable project within the Community's multiannual research programme?

If Mr Tugendhat feels he cannot answer that question, I gather it would be in order if Mr Brunner did, especially the last part of it.

Mr Brunner, Member of the Commission. — (D) I always take great pleasure in answering my friend. In the last few years we have systematically tried to encourage the research efforts of industry in this sector. How have we done this? We have endeavoured to bring the companies concerned together. We have the impression that research is quite far advanced. Industrial competition is already playing its part. We feel that it would not be appropriate to intervene with Community funds at this stage. It is better for the market, for natural competition, to ensure progress is made on these projects.

Mr Normanton. — Mr President, I wonder if the Commissioner will allow me to remind him of at least two occasions on which this House, in the form of supplementary questions, has drawn to his attention the growing need for the production of a suitable vehicle — either petrol-driven or electrically-driven — for invalids and handicapped persons. And may I suggest to the Commission that this is one area in which the funding of the design and development of such a vehicle could very profitably and desirably be promoted, and at low cost by Community funds?

(Applause from certain quarters)

Mr Osborn. — Mr President, this unsatisfactory reply needs further thought. The fact is that it is in the interests of the Community that there should be more electric vans and cars. In many circumstances, they are uneconomical. Is there not a need not only to develop the car but to develop storage and storage systems and to fund them whilst they are being used at a loss? If we can have schemes for electric power-stations, why can't we have similar funds for electric cars?

Mr Brunner. — (D) We cannot do everything. Our research projects, which are somewhat removed from industrial competition, cannot now be transformed into projects that encourage the production of specific goods. If we did this, we would have to change the whole concept of the Community's research policy. This research policy is laid down on a medium-term basis. It is designed to avoid the duplication of work. We should not, therefore, be doing what it is more useful for the Member States to do. Our scant funds must be budgeted carefully. If that is not done, we shall lose the thread, and the result will be fragmentation of our research efforts, the outcome of which will not be very pleasing.

Mr Noè. — (I) I would ask Mr Brunner to take up Lord Bessborough's valuable suggestion that the public authorities in general — not only the Commission — should be asked to apply these techniques, which are no longer at the drawing-board stage but are about to be launched on the market and are in need of encouragement. I am referring, in particular, to the application of solar energy for water-heating, a relatively economical and technically proven system. Could not the Commission give the lead, not within the limited confines of the Commission, but by urging the public authorities of the Member States to start applying these techniques, which, I repeat, have already proved their worth, so as to give them an effective boost?

Mr Blumenfeld. — (D) Would it not be a good idea for the Commission to consider taking such questions as have been raised by my colleagues as an incentive to set up as one of its services a department on transport technology and to provide it with the necessary finances? Otherwise I must agree with the Commissioner that a dangerous precedent will arise as regards research policy.

Mr Brunner. — (D) In answer to Mr Noè's question, I can say that we shall be submitting such proposals to the Council in June.

In reply to Mr Blumenfeld, we have already set up an innovation group, which will be instructed to look into these technologies.

President. — Question No 9, by Mr Price :

Subject : Association Agreement with Cyprus

Will the Commission state the terms of the interim arrangements they intend to make in view of the failure of the Council of Ministers to grant them a mandate to develop a second stage of the Association Agreement with Cyprus, the first stage of which is due to expire on 30 June 1977?

Mr Haferkamp, Vice-President of the Commission. — (D) At its meeting of 3 May the Council adopted the guidelines for the negotiations with Cyprus. The negotiations will begin on 16 May and may well be

completed quickly. However, time is so short that the protocol cannot enter into force by 1 July. The Commission will therefore be submitting to the Council a proposal for the extension of the arrangements for the first stage of the Association Agreement beyond 1 July and until the protocol comes into force.

Mr Dalyell. — Does there not seem to be something of a gap in Community Mediterranean policy as far as Cyprus is concerned? Is the Commissioner aware that his answer seems very unsatisfactory?

Mr Haferkamp. — (D) I must leave it to the honourable Member to decide whether or not my answer was unsatisfactory. As regards the question about the gap in the Mediterranean policy, I should be grateful for an explanation as to what exactly the Member means.

Mr Spicer. — I would agree with the previous questioner that there does seem to be a gap in our Mediterranean policy; but would the Commissioner not agree that that gap is absolutely essential until such time as we can achieve a settlement which will give rights to the minority in Cyprus and can deal with a government of Cyprus that is truly representative of all the people of Cyprus?

Could I make one further point, Sir, very briefly? Could we all accept in this House that we have now seen this question on the order-paper twice; I have no doubt we shall see it again next month, and it will continue to be there thereafter; and if the questioner wishes to put a question like this which shows a personal interest in this problem, would he please ensure that he is here to put the question himself?

Mr Fellermaier. — (D) Mr President, although it is not for me to answer a Member's question during Question-Time, I find it strange that a member of my group should be criticized here by a member of the European Conservative Group even though in finding someone to deputize for him, he has acted precisely in accordance with the Rules of Procedure. But I did ask for the floor to put the following supplementary question to Mr Haferkamp: in addition to the normal development of the agreement with Cyprus within the framework of the association with that country and in view of the specific economic situation caused by adherence to the principle that progress towards the restoration of peace on the island should be non-political, is the Commission considering the possibility of also introducing political elements into the negotiations aimed at restoring peace to the island and of doing so on its own initiative and in agreement with the Council?

Mr Haferkamp. — (D) The first objective was to find solutions that would ensure the continuation of

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the relations we have with Cyprus, in other words to ensure that no gaps occurred when the agreement now in force expires on 30 June. This assurance now exists, the Council of Ministers, as I have already said, having decided on 3 May on the course to be taken during these negotiations. Large sections of this agreement, particularly those on the economic sector, which do not affect the agricultural sector, provide means to make such progress.

Despite the considerable efforts we shall make, we shall undoubtedly not be in a position by 30 June to adopt the protocol early enough for it to come into force on 30 June. Although we will do everything in our power to speed things up, we have proposed that the situation as provided for in the present agreement should continue beyond 30 June so as to provide continuity with the new agreement that is negotiated.

In these negotiations the Commission is proceeding from the idea that it is important for the economy of Cyprus not to suffer, and this in the interests of social stabilization and of general political developments, but for the economic situation to be improved as far as the relationship between the Community and Cyprus allows. We hope that this will have a positive effect on the overall situation, and steps will, of course, be taken to ensure that, seen as a whole, the outcome of the negotiations is as favourable for Cyprus as we can make it.

Mr Cousté. — (*F*) The renewal of the association agreement with Cyprus raises the problem of political sensitivity as well as economic problems. For my part, I feel that the House should inform the Commissioner responsible of our insistence that the original date be maintained. I believe that this is possible, in view of the fact that the mandate was issued on 3 May. If negotiations do indeed begin on 15 May, it should be possible to reach a satisfactory conclusion in view of the fact that it is vital, for political reasons, to establish agreement and renew the association agreement before 30 June. I therefore have confidence in the Commission, but I should nevertheless like it to assure us that it will indeed make every effort to achieve this aim. June 30 is a fateful day.

Mr Haferkamp. — (*D*) For the reasons that the honourable Member has mentioned, we will do everything in our power to achieve this object. However, we must take the precaution of ensuring that an arrangement exists which can be substituted if, despite all our efforts, this objective is not achieved.

Mr Corrie. — When the Commissioner talks about the importance of the Cyprus economy, does he mean purely from the Greek side or the economy of the whole island? If agreement is reached, is the Community prepared to see any advantages going only to the Greek side, to the exclusion of the Turks in the North?

Mr Haferkamp. — (*D*) I am unaware of the Commission ever having in any of its previous statements come out in favour of one or other part of the island. When I spoke of economic importance, I was referring to the fact that the agreement as a whole has considerable economic importance for the whole island. This positive economic importance would, in our view, have positive social and political consequences for everybody, including ourselves.

President. — Before calling the next question, I should like to remind the House of the purpose of Question-time. Question-time is not a debate, but a matter of submitting questions and receiving answers, with the opportunity to put supplementary questions.

We have already taken 55 minutes and have got through only part of the questions tabled. I must ask honourable Members to keep their interventions short.

Question No 10, by Mr Caillavet :

Subject : Frost damage to agriculture

Is the Commission planning specific and adequate action to assist European farmers who have once again suffered from frost, which has severely damaged, and in many cases ruined, various crops, particularly tree fruit?

Mr Tugendhat, Member of the Commission. — The Commission has learned through reading articles in the press about damage caused by frost to certain agricultural products, in particular fruit and wine-grapes. According to these sources, while frost has damaged production in some regions, it is too early to tell for others, so a definitive production report for the year cannot yet be made. The Commission is of the opinion that it is the primary responsibility of the Member States to take adequate measures in the event of natural calamities. Most Member States have laws or systems of relief for agricultural calamities of this sort. These laws and systems have been approved by the Commission under Article 92 of the Treaty of Rome.

Mr Caillavet. — (*F*) The Committee of Professional Agricultural Organizations in the EEC has suggested that a special fund be set up with sufficient financial resources to grant compensation or long-term at reduced interest-rates. What response does the Commission intend to make to this proposal to set up a special fund?

Mr Tugendhat. — It is very difficult to answer a question of that sort while the Commission still lacks precise information about the extent — if indeed it is serious — of the problem to which we are referring, but in answer to the specific point made by the honourable Member about setting up a special fund, I would remind him that unfortunately all matters of that kind have to be looked at in the light of the very stringent demands for economy being imposed upon us by almost all member governments.

Mr Liogier. — (*F*) In so far as experience has shown — particularly this year — that there are gaps in the regulations relating to fruit and vegetables, does the Commission intend to make early improvements to the existing regulation by allowing, for example recourse to the special fund which Mr Caillavet has just mentioned?

Mr Tugendhat. — I would very much like to see the most equitable possible use of resources, not only between different sectors of the economy but also, of course, between different sectors of agriculture; but at a time when, as I say, member governments are not only imposing on us the most stringent economy, but in which an increasing volume of resources are being devoted to certain products in surplus, it is very difficult to meet all the demands placed upon us. I wish I could provide a more helpful answer, but I think that in all honesty one must look at the difficulties of one sector in the light of the others and recognize that when resources are diverted to one area that leaves less for others.

Mr Scott-Hopkins. — Would not the Commissioner agree that if we had to deal with every natural disaster from the weather in agriculture, the cost would be extremely high to the Community? I do not know the details of this; but, as he has said himself, this really should be a national responsibility and not one for the Community, because it might well involve a vast amount of money. These are unhappy natural disasters and hazards that farmers face year by year.

Mr Tugendhat. — I can only return to the reply I gave earlier: that I would very much like the Community to be able to treat all sections of the economy, and indeed all sections of agriculture, on an equitable basis, but the scarcity of funds and the demands for economy laid us impose very stringent limits on what we were able to do.

Mr Lagorce. — (*F*) Mr Caillavet's question concerns retrospective aid to farmers affected by natural disasters. However, would it not be possible, under the Common Agricultural Policy, for the Commission to consider a means of harmonizing measures taken precisely possible to introduce a kind of Community insurance scheme. What does the Commission think of this?

Mr Tugendhat. — As I am sure the honourable Member would agree, there is all the difference in the world between insurance on the one hand and prevention on the other. The prevention doesn't lie, of course, within our powers, but the insurance is a matter which might be worthy of study. In view of what I said earlier about treating everybody fairly and justly. I think it must be said that one of the difficulties we all face in trying to construct European poli-

cies is that we wish to do certain things we call for certain things, we respond to requests by saying we would like to do them, and we forget that at the same time these very stringent budgetary constraints are placed upon us. Some of the governments and some of the local communities within the Community which are most adamant in demanding restraint, tend also sometimes to be the ones that want resources spent in other directions.

Mr Howell. — Mr President, may I urge the Commission to refuse flatly to set up any such fund? This is an act of God, and we shouldn't attempt to deal with this problem. It is something which we cannot deal with. We all know that agriculture is a high-risk industry, and that such things as this and the drought which occurred last year simply cannot be helped in the way which has been suggested. We ought not to attempt any such thing.

Mr Tugendhat. — I wouldn't like to close the door to the extent that my honourable Friend suggested, because, as I said earlier, I think we must try to treat everybody equally and there is no doubt that the policies which we adopt at the moment to provide very considerable advantage to some sectors of the agricultural community. Perhaps if we could reduce in one area, we might be able to do more in another.

Mr Carpentier. — (*F*) Commissioner, you have replied to a number of questions by incriminating the Member States or the Council. What outcome could such a dialogue possibly have? What solutions will be found to these problems?

Mr Tugendhat. — No, I am not saying that anything is the fault of anyone. What I am saying is that one has to cut one's coat according to one's cloth, and that we find ourselves in this difficult situation where demands are placed upon the Commission to meet every eventuality and to cover every particular problem that arises. There are many eventualities and many problems on which one would like to do more, and I am acutely aware of the fact that, we have not only imbalances between some sectors and others, but imbalances within some sectors. These who want the ends must also be prepared to vote for means, and that is by no means always the case.

President. — Since its author is absent, Question No 11, by Mr Pistillo, will receive a written answer.

Question No 12, by Mr Veronesi:

Subject: Multinational research and development programme for basic raw materials

What stage has been reached in preparing the draft multinational research and development programme for basic raw materials, and when will the document, drawn up by the subcommittee appointed to carry out the study, be available to Members of Parliament?

Mr Brunner, Member of the Commission. — (D) You will be receiving our proposals before the summer recess. Last week, on 2 May, these proposals were discussed in a committee consisting of senior officials. They were favourably received. We will be concentrating on nonferrous metals and discussing in particular the extraction and processing of inferior-quality ores. We will also be looking into the improvement of mining techniques. The Community is poor in raw materials. We will have to make a particular effort in this sector.

Mr Veronesi. — (I) Is the fact that the document will be published later than originally intended due to interferences by multinational companies?

Mr Brunner. — (D) No, not at all.

Mr Osborn. — Can the Commissioner indicate what consultations are in progress with production engineering and research establishments about the recycling of the more valuable waste materials, and what work is in hand with the Community's research establishments to develop methods of aerial survey of the earth's resources? Will this be dealt with in this report?

Mr Brunner. — (D) At the moment we are investigating at the Joint Research Establishment in Ispra the possibility of using aerial surveys to pinpoint such geological resources. We have made progress. Our contacts with experts from industry at present pass through the Member States. We have a proper programme. I believe that when you have it before you, you will be generally satisfied with it.

President. — Question No 13, by Mr Kavanagh, for whom Lord Murray of Gravesend is deputizing:

Subject: Dumping of pottery on the Community Market

Is the Commission aware of the adverse effects which the dumping of pottery from third countries on the Community market is having on the Community producers and the resultant unemployment, and what does it intend to do to combat this problem?

Mr Haferkamp, Vice-President of the Commission. — (D) Under the provisions of the anti-dumping regulation, anti-dumping procedures are initiated at the request of Community producers. So far the Commission has not been informed by producers of any dumping practices of the type described by the honourable Member.

Lord Murray of Gravesend. — First of all, I would like to apologize on Mr Kavanagh's behalf for his being unable to be here today, but in view of the very urgent problems that this dumping is causing in his area, he really wanted to have the question asked. What I'd like to ask the Commission is whether they

will consider setting up an investigation into the area of pottery dumping in the same way as they have done in the case of soya cakes originating in Brazil, and one or two other materials, and to do this with some urgency, because I understand that the dumping of pottery, in particular in the Wicklow area, is causing very serious concern about future employment.

Mr Haferkamp. — (D) There is a difference between carrying out an investigation into the situation in this or that sector of the economy and initiating a formal procedure such as the dumping procedure. As I have just said, the relevant regulation requires such a procedure to be initiated and carried out in accordance with given rules. It presupposes that a request has been made, and none has been made. If such a request was made, we would naturally act in accordance with the rules laid down in this regulation if sufficient evidence of dumping was produced. That is one thing. Another thing is that, as I have already said, investigations can be carried out at any time into the situation of a given sector of the economy or even of regions and so on, and in a different context the relevant services of the Commission are in the process of looking into the situation in the pottery industry.

Mr Cousté. — (F) Apart from decisions on anti-dumping measures with regard to ball bearings, has the Commission received other requests or enquiries? Can Mr Haferkamp indicate which requests are currently before the Commission?

Mr Haferkamp. — (D) I cannot at the moment say exactly what types of dumping procedure have been initiated or what progress has been made. There are undoubtedly very few of them.

Mr Yeats. — I would like to suggest to the Commissioner that he should not be satisfied with the absence of protests about dumping, that the absence of protest is not a reflection of an absence of dumping, but a reflection of the extreme complexity of the whole process and the unsatisfactory nature of the anti-dumping regulations, and that he should therefore look into this matter.

Mr Osborn. — I think Commissioner Haferkamp should know that the cutlery, engineers' hand tools and many other industries are concerned at dumping at the cheap end of their production, and if he is not aware of it, I very much hope that he will become aware of it before we have another Question-time.

Mr Carpentier. — (F) What at present are the criteria for defining dumping, subject to an early discussion in this House on this extremely important question?

Mr Haferkamp. — (*D*) This is a very simple matter, Mr President. The Commission would, of course, welcome it if we could discuss this subject here in detail. If in reply to Mr Cousté's question I have just said that I cannot say exactly what is going on at the moment, the primary reason is that I am loath to quote a figure or the names of products for fear that I overlook one. If I give you an answer, it must be an accurate one. I am, of course, prepared to give an accurate answer to Mr Cousté's question at a later date.

But I should like to make it clear that the rules and regulations on both the legal and procedural aspects of the dumping procedure are deliberately very detailed. This applies to international agreements such as the GATT provisions and to our own provisions within the Community. The procedural and legal requirements are clearly defined. And this is necessary, for we must guard against the anti-dumping instrument leading to a policy of protectionism. Anti-dumping operations are nothing more than a necessary instrument to keep trade as undisturbed and free as possible. It is therefore essential that the procedures be observed.

President. — Question No 14, by Mr Cousté :

Subject: A fresh start on cooperation and monetary union

As the monetary situation in all the European countries seems to be stabilizing, and even in some cases slightly improving, does not the Commission consider that the time is ripe for a fresh start both on cooperation and monetary union?

Mr Haferkamp, Vice-President of the Commission. — (*D*) As the question states, the situation in the monetary sector in the Community has in fact stabilized in the last few months, and this is particularly true of the weaker currencies *vis-à-vis* the dollar. However, rates of inflation continue to differ considerably.

As you know, the Commission has long been in favour of discussions and proposals on the creation of target areas for the exchange rates of Community currencies, a project put forward in particular last year during the Dutch presidency by the Netherlands Finance Minister, Mr Duisenberg. So far, however, the Member States have not felt able to take up this proposal. But they have decided on far greater coordination and concertation of their monetary and financial policies as regards balances of payments and rates of conversion.

On behalf of the Commission I would stress that we set store by the observance of clearly defined objectives for the control of the money supply in the Member States. In this respect we have achieved quite positive results, particularly in the Federal Republic. Any approximations and coordination achieved by the

Member States would undoubtedly make for greater convergence of economic policies in general, the overall economic trend and thus the trend in inflation rates.

Mr Cousté. — (*F*) In Rome, the European Council gave certain indications which are reflected in my question, since they concern new efforts towards monetary union, and above all, cooperation. It is in this connection that I should like the Commissioner responsible to tell me whether, since the Rome meeting at the end of March, the Commission has actually taken or drawn up appropriate measures.

Sir Brandon Rhys Williams. — Well, we are glad that the Commissioner sees some signs of progress following the Duisenberg initiative. We have to recognize that it has virtually come to a standstill. Will the Commission be absolutely frank? Is it one particular man, or one particular bank, or one particular Member State which is holding up progress towards developing a multi-currency system for the Community on civilized lines? Will the Commission learn to bring Parliament completely into its confidence so that we know what is going on in these delicate monetary negotiations behind the scenes and can bring democratic pressure to bear on the obstacle — whoever or whatever it is — and make some progress in this field?

Mr Haferkamp. — (*D*) We could undoubtedly solve almost all our problems if we could simply point a finger at one person. But we cannot do this. We have all seen what has happened in the last few years and been faced with the development of the economic situation. The economic realities as regards growth rates, the differences in balances of payments — on the one hand surpluses, on the other deficits — rates of inflation, public budgets and a number of key items that are determining factors in our national economies have prevented us from using monetary mechanisms to achieve the success in which we still believed while the old Bretton Woods system still existed. All I can say is that the efforts of the Commission, and to an increasing extent, of all the Member States are aimed at bringing about a greater approximation of these economic bases and at the same time making progress towards cooperation in monetary policy. It is not true to say that the impulses that emerged from the meeting of the European Council in March represent a new stage. They are a very important item and provide substantial support for the efforts that the Commission has long been making in very intensive work with the Member States, and the Commission hopes that the impulses that emerged from the European Council's meeting in Rome will result in these efforts being speeded up in the Council of Ministers.

✓ **President.** — Question No 15, by Mr Terrenoire :

Subject: Framing by the Commission of a long-term policy for the textile industry

How is the brief to negotiate the multifibre arrangement likely to be affected by the measures which the Commission intends to take to revive investment and preserve employment in the textile and clothing industries?

Mr Haferkamp, Vice-President of the Commission. — (D) The negotiating mandate for the Multifibre Arrangement is at present being prepared. We have had extremely detailed discussions in the Council on this subject. I believe that we have now reached the final phase and will very soon receive this mandate and be able to start the negotiations.

The principal objective is to extend the existing arrangement for a satisfactory length of time and on terms that are satisfactory to all concerned. We feel that if we manage to obtain the guarantees which have to be negotiated within the framework of this arrangement, we shall be able to assure the industries of the Community of an adequate share of the Community market. These guarantees are principally concerned with keeping within reasonable limits imports which might lead to disturbances in the market. They are essential if those who have to make arrangements for the future in the industries concerned are to have the necessary confidence, and they are thus the prerequisite for decisions on investments and for decisions on jobs.

Mr Terrenoire. — (F) What are the direct consequences — if possible, with statistics — of the constant rise in imports of textile products on the increase in unemployment in the Community?

Mrs Kellett-Bowman. — While fully appreciating the difficulty facing the Commission in reaching a common negotiating position within the EEC, which, I understand, the Commissioner says that he has now reached, would he not agree that it is the ineffectiveness of the multifibre agreement in its present form which is largely responsible for the present unease of the textile industry throughout the Community, and would he not agree that it follows that unless the multifibre agreement is extended, both in scope and in time, the deterioration in our Community industry will continue?

Mr Fletcher-Cooke. — Has the Commissioner appreciated what lies behind the original question? The important point here is that when you achieve a limitation in one sector of the textile industry the pressure is not applied to another sector, and what the original question asks and which was not, with respect, answered, is: Will the Commission see that the negotiating position of the European Community in the Geneva negotiations shows there is a product-by-product ceiling on each product? Because if you merely have a general ceiling on textiles, the pressure will go into the weak places and you will still get the same flooding of the market as we have experienced.

✓ **Mr Carpentier.** — (F) Commissioner, what did you mean by 'share'? What can we do to resist these imports? Finally — and in my opinion this is the vital question — is it the Council of Ministers which will take the final decision? Experience has shown that the Commission is more a buffer between Parliament and the Council than a motivating force, despite the importance of its activities in all sectors.

Mr Haferkamp — (D) I should like to say first of all that I may have missed some of the translation into German because of technical interference. There was far too much noise while the translation was going on; obviously two microphones were being used in the cabin at the same time.

I will nevertheless try to answer the question. As regards the effect on jobs, it is difficult to give a direct answer because the change in the employment situation in the textile industry is, of course, not only caused by imports. Fortunately, our textile industry is on the whole not so inflexible and rigid and dead that it cannot make changes, for example to achieve modernization, rationalization, quality improvement and the like. In other words, some changes in the job sector — in some cases a decrease, but in others an increase — are undoubtedly due to what is happening in this industry itself. I feel, therefore, that a specific investigation should be carried out here and not simply connected with the agreements we are now discussing. This would, of course, be for the Commission to do, and one of the objectives of the negotiations that have to be conducted is to achieve as favourable a position for the Community industry as possible. But I would stress that these are negotiations, and in negotiations at least two parties are involved. In the case of the Multifibre Arrangement there are more than two. This is an international matter in which we must ensure that our interests are safeguarded, but in which the agreement of all must be achieved.

It has also been asked what effect this will have on individual products and what the word 'share' means in this context. One thing must be remembered here. This Multifibre Arrangement has numerous signatories. It is the basis and the framework for bilateral agreements which the Commission will conclude at a later date with individual countries exporting textiles. And this is what we have already done on the basis of the old agreement. In view of the experience we have gained, we intend to conduct future negotiations on agreements with individual states based on the Multifibre Arrangement more quickly and more intensively. We are already in the process of preparing the mandates for the negotiations with the main suppliers of textiles to the Community, so that we will be able to enter into these negotiations without delay and then translate the Multifibre Arrangement into practical bilateral agreements. This will be the second important step in this series of negotiations.

Haferkamp

I should also like to say as regards the question of market shares that the most important thing to remember is that if exports of certain products to the Community go on increasing, the market situation may be disrupted, and that is what we want to prevent. In this the question of market shares will play a decisive role, as will the question of timing and the increase of shares. Of course, there are products which are in a particularly difficult situation. In such cases, the rate of increase for imports into the Community will naturally be far lower than in the case of products where such difficulties do not exist. I will not go into further detail during this Question Time, Mr President, since a debate on this specific subject would be better suited to this purpose.

President. — I call Mr Scott-Hopkins on a point of order.

Mr Scott-Hopkins. — I don't wish to detain the House, but it seems to me that a new practice is now creeping in, Sir. You have the complete discretion of this House to combine questions together for answering by the Commission and by the Council. This has been accepted: if the Commission or the Council wish to answer two or three questions by Honourable Members on the same subject together, with your approval it is done, Sir. But what is now happening, what has crept in recently, is that the Commission and, I presume, the Council too are choosing not to answer supplementaries and lumping them all together, as has just happened, when we got a long and, I must say, rather lengthy answer to about 5 supplementary questions. This was never the intention, Sir, and it is surely the practice of Question-time that there should be short questions and short answers to each individual supplementary question. They should not be lumped together and a long speech made by the Commissioner when he chooses at his discretion. This is not fair on Honourable Members.

(Applause)

President. — I agree. I have already asked for supplementary questions and answers to be kept as short as possible. Instead, there have been a lot of long questions that have been getting long answers. If each speaker made an effort to be brief, the proceedings would run much more smoothly.

The first part of Question-time is now concluded.

7. Energy problems (contd)

President. — The next item is the resumption of the joint debate on energy problems.

I call Mr Hamilton.

Mr Hamilton. — Mr President, I shall be very brief, because it has been a very wide debate and many of

the subjects on which I wanted to speak have been covered. In our House of Commons, at least, it is out of order to engage in tedious repetition; I wish it were the same here, but unfortunately it is not. I will therefore try and make a few fairly general observations as a politician rather than as a technical expert. I hope my observations will be reasonably intelligent and none the less important for representing a layman's point of view.

My first point is that the debate has been so absurdly diffuse as to be almost totally without constructive purpose. If we are to get anything positive out of these debates, we have got to be more specific and narrow them down somewhat, rather than tolerate the kind of diffuseness we have had today.

The other general point that I want to make is that I cannot help feeling — and I am sorry if this sounds cynical, but it is as I feel — that despite the mouthing of European ideals national states are still intent on pursuing their own selfish national interests. This applies to the United Kingdom no less than, I believe, to the United States, to the Federal Republic of Germany, to France and the other members of the Community. We have seen that at the recent Summit Meeting in London, where we had what I can only describe as juvenile behaviour by the French President towards the President of the European Community. In other respects, too, one could repeat the same point.

I was asked to speak specifically on the Bravo episode, the oil-rig blow-out which occurred in the Ekofisk area of the North Sea. In many ways that episode underlines the dilemmas in which we find ourselves in this energy problem. We are all agreed that we want to produce as much of our own energy within the Community as is consistent with safety, considerations of pollution of the environment and so on, and I think we are all agreed that when an accident of this kind occurs we should be neither dismayed nor surprised. When we are engaging in activities on the frontiers of technology, it is bound to be the case that considerable risks to life and to the environment are involved, and we must face them fairly and squarely. We must tell our people what risks are being run, and we must try and convince them that all possible steps are being taken to avoid accidents and, when they do occur, to minimize their consequences. It is a trite comment to say that pollution, whether it be of the sea or the air or whatever, knows no national boundaries. One of the lessons to be learned from the Bravo incident is that the problems that were consequential on that accident must be dealt with, not only on an EEC basis — because Norway, for instance, is not a member of the Community — but on a much wider international basis.

I was particularly disturbed by the Bravo incident on two counts. First of all, it made abundantly clear that

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the ways in which we deal with this kind of massive pollution of the seas are still in their infancy and, I suspect, the same applies if there is any nuclear explosion at a nuclear power-station. Community or even international efforts are required on a much more ambitious scale in that regard than we have had evidence of hitherto. The attempts to scoop up the oil-slick in the North Sea were quite clearly inadequate. The prevailing winds blew the thing hither and thither, and man seemed to be quite powerless to deal with it; the threat of pollution was first a threat to Norway and then, with a change of wind, to Scotland, and so on. Therefore I think it is imperative for us to learn from this incident, and other, the need to tackle such problems on an international basis.

The other feature which worried me and, I suspect, a lot of other people was that when the accident had occurred we did not appear to have sufficient expertise, certainly within the Community, to deal the actual blow-out. We had to send for people from Texas. Now they were, of course, highly efficient people, and I believe they are the only people in the whole world who are competent to deal with that kind of problem. But, however much we might like the Americans and admire their expertise, I, and, I suspect, most Members of this House, would prefer it if we could do it ourselves. We ought in the Community to consider the desirability, the necessity of developing our own expertise for dealing with accidents such as this.

I end by saying that happily there was no loss of life on the Bravo rig, but we cannot be sure that that kind of happy occurrence will repeat itself in the future. Therefore I hope that the Commission will take such steps as it can to consider these problems not only within the Community framework but on a much wider scale, because I am quite sure that these are international problems which demand international solutions.

IN THE CHAIR : MR SPÉNALE

Vice-President

President. — I call Mr Noè.

Mr Noè. — (*I*) Mr President, Mr Brunner, ladies and gentlemen, I shall attempt to provide a few facts on just one of the factors bearing on the problem under discussion — namely, the likely significance of alternative forms of energy.

In order to appreciate their importance, we must first of all establish the rôle to be assigned to these forms of energy if they are to affect the future of industrialized countries such as ours. According to recent estimates in the USA, if measures are not taken to reduce consumption in that country, its present rate of 1 800 million oil-equivalent tonnes will increase to 2 800

million by 1985. The restrictions now proposed by President Carter are expected to bring that figure down to 2 400 million, but this would still represent an increase of 33 % in 9 years.

Estimates in France point to the same conclusion. Consequently, even if alternative forms of energy are widely utilized in the industrial sector at the end of the century, demand will have increased by well over 50 % by comparison with present consumption.

This is the key point: if we do not change our ways, we shall fail to achieve the object rightly indicated by Mr Flämig this morning, when he said that we should concern ourselves with the future of our children and grandchildren.

Let us look briefly at what can be produced from these alternative sources of energy. As regards solar energy, I would merely inform the House that the Committee on Energy and Research may shortly be adopting a report on this subject which will probably be debated in June. I am also aware that Mr Giraud is particularly interested in this question. I would merely say today that the IAEA estimates that solar energy will account for 2 % of all Community energy consumption by 1990 and 3.2 % by the year 2000. Having studied the subject, I personally believe that if we do not change our approach and act rapidly, we may even fail to achieve these limited goals.

As regards geothermal energy, we should single out the utilization of endogenous fluids, such as warm water or natural steam, which hold out little hope for the future: at Larderello, in Italy, we produce half the energy generated in the world by this process; its utilization, which began in 1904, continues to be viable owing to new techniques for without them the source would gradually dry up: this process thus makes a modest contribution to our requirements.

I recently tabled a question for Question-time concerning the 'hot rocks' process. This could make a considerable contribution, but it is difficult to estimate what can be achieved before the year 2000, given the extreme difficulty of reaching these rocks, which must have a temperature of around 300 degrees at considerable depths, and splitting them over a wide area without knowing their tensile strength, which, if subjected to a tensile stress, might give rise to minor earth-tremors. Even the extensive tests being carried out by the Americans at Los Alamos fail to improve the prospects in this field.

Volcanoes represent another alternative source. Mr Scelba asked me to examine this field in detail. But there are substantial difficulties entailed in working in the proximity of volcanoes, where temperatures are extremely high and the rocks frequently fractured. These problems are even greater than those entailed in the 'dry rocks' technique, where rock formations may be simpler than those of the magma found in volcanoes.

Noè

Many years ago great hopes were placed in wind-power, but were later abandoned with the arrival of the steam-engine. In Italy, at one stage, it was considered possible to produce 800 million kilowatt-hours annually with no difficulty whatsoever. Two hydro-electric stations which have survived in the Alps today produce 800 million kilowatt-hours; but this represents a very small contribution.

As regards tides, it was decided to build a plant on the Rance, in France, as long ago as the 1940s and 50s, and I attended tests at the Institut Hydraulique Dauphinois of Grenoble around 1951. Up to now no other attempts have been made in this field.

I have been told that at Ispra, in a study to which further methods may be applied, Euratom is attempting to calculate the number of years it takes for a plant to produce the energy required for its construction. Whereas a nuclear power-station produces all the energy used in its construction within two years at most, the Rance plant will take twenty years. These are difficult calculations, but this attempt is limited to areas with strong tides and does not concern the Mediterranean.

As for waves, even though there exists an institute which is carrying out studies with large tanks of reinforced concrete, production from this source, too, is negligible.

Greater attention should perhaps be paid to waste, which in theory — at least in Italy — could account for 5% of overall energy requirements. The various types of waste (paper, metal, etc.) must, however, first be separated, and this operation must be carried out in the home as at later stages it becomes too complicated. Citizens must thus be specially taught how to perform this task. Perishable matter contained in waste must then be isolated, to be used in the manufacture of fertilizers, with a further saving of energy. We should therefore consider the possibilities offered by waste. However, it is unlikely that we could achieve a saving of more than 2%, as compared with the potential saving of 5%.

The hydraulic field is virtually exhausted. We could experiment with pumping-plants, but we should simply be performing useful transfers of energy, rather than creating new sources.

We come now to hydrogen, which is a vehicle of energy but not a new source. I should like to ask Mr Brunner to look more closely into one possibility offered by hydrogen (which, I believe, also interests Mrs Kruchow), namely, for extensive hydro-electric use in Greenland, which would make it possible to produce new energy from hydrogen by means of electrolysis. This hydrogen would not require, as has been the case on the continent, the setting up of plants for the prior production of electric energy. Two or three years ago, I put a question to Mr Simonet which produced the reply that I had not considered the

problems involved in transmitting energy, although I had suggested, not that energy should be transmitted from Greenland to the continent, but that it should be used on the spot. This might be another possibility.

The gasification of coal might also make a contribution, but the fact must finally be faced that, even on the most optimistic hypothesis, we possess only a tiny percentage of our enormous requirements. In the present situation, Mr President, this deficiency can only be made good by nuclear energy. Nor can we be satisfied with President Carter's promises to supply us with the enriched uranium used for present systems. This promise may comfort us over a certain period, but in the long run we must make a choice to end the dilemma arising from the fuel shortage: that choice is between fast reactors and fusion. Last year, the IAEA of Vienna made an excellent in-depth comparative study of fast reactors and equipment which might use nuclear fusion.

Following today's wide-ranging debate, the Assembly ought to examine possibilities of making progress in three vital areas: the preparation, for both alternatives, of a technological system for the presentation and construction of equipment; its safety; its economic viability.

Finally, I should like to express my opinion on the question, brought before the court of Freiburg, of the reactor at Wyhl. Generally speaking, damage to a reactor vessel can only lead to a disaster if two conditions are fulfilled: if the vessel breaks — and according to the Rasmussen report there is a 10^{-6} probability of this occurring — and if all three cooling-plants fail to operate. Damage occurring when the plants were still operating would not lead to a disaster. These two separate failures would thus have to occur simultaneously.

I feel that we should give this subject further consideration at a later stage and that, above all, we should note Mr Flämig's warning that we must make a responsible decision in the interests of future generations.

President. — I call Mr Carpentier.

Mr Carpentier. — (*F*) Mr President, ladies and gentlemen, from time to time accidents and even catastrophes occur which remind man of the frailty of his undertakings.

This is true of what happened at Ekofisk. I return to this matter after Mr Hamilton's speech, not only because I consider it to be a serious one, but also because it links up with all the problems raised by the new methods of exploiting energy and it therefore inevitably leads to the question of safety.

I must confess that I am not satisfied with the statements that have been made, because I feel that, for various reasons, they were trying to play the matter

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down. People say: 'It is almost bound to happen; after all, we must progress. It is the ransom we must pay for progress, and progress means taking risks'. That is my first point.

The second argument put forward is that we must ensure a certain rate of growth or else we shall regress to the age of oil-lamps, if not even further. My point here is that this is a fallacious argument, since there is no question of a return to oil-lamps. That is not the problem' The problem is to establish whether, as regards new energy sources, technological progress will be accompanied by equivalent progress in respect of safety and the guarantees which we must provide our people against pollution.

A third argument is one that was heard in this House not so very long ago: 'Norway is not a member of the European Community'. As if an oil-slick could be pinpointed in Norwegian territorial waters! As if it were possible to control the wind, currents and tides so that the slick will stay where it is and only affect Norway! The slick will obviously move and hence affect the countries bordering the North Sea — and this in particularly favourable area for fishing, which therefore provides thousands of people with a livelihood.

What surprises me is that while specialists were doing their utmost to stem the flow of oil (4 000 tonnes a day!), a French newspaper published a photograph with the following caption: 'The largest drilling platform in the world is on its way to the site where it will operate, towed by five tugs'.

Ladies and gentlemen, I do think we should ask ourselves a few questions, because in the near future the number of off-shore drilling rigs, as they are called, is going to increase rapidly. Should we say 'no' to these rigs and hence 'no' to energy? That, of course, is not the problem. The problem is to establish whether we shall be able to provide adequate safety precautions and guarantees to avoid endangering firstly jobs, and then human life.

What can we do now as a Community? Legal objections are raised in this connection. Of course it is Norway — I would prefer to say country X, since in the near future there will be drilling rigs off the English coasts and perhaps off the French coasts — that was affected, but the risk is the same everywhere. We could say that the continental plateau up to a distance of 200 miles belongs to such-and-such a country and so no action can be taken. An example was quoted, emphasizing that there are accidents everywhere. That's true, but in coal mines, for example, a firedamp explosion only harms a limited number of people, it does not harm the environment. We must therefore realize that the extraction of nuclear energy and hydrocarbons from the subsoil of the sea have added a further dimension to the ques-

What legal steps can we take? Some people will suggest paying compensation; that's all well and good, but compensation to whom and on the basis of what criteria? Furthermore, when the experts tell us that the remedies are perhaps worse than the evil, that to dissolve or disperse this oil-slick chalk is used to drag the oil down to the seabed, which, we are told, is extremely harmful to human and animal life, then we are at a loss. Would it perhaps be possible, as part of the current discussions on the Law of the Sea, to insert a clause, a paragraph or two or three paragraphs with a view to introducing a few rules? I realize that this will take a very long time.

In the meantime, can we, at the European level, draw up a European convention, which would, of course, extend beyond the boundaries of the Community, with a view to reaching agreement on a series of measures? There is talk of opening an enquiry: that's all very well, but the enquiry always follows the disaster and seeks to discover its causes. Since prevention is better than cure, what is needed before the enquiry stage is expertise and control. But what form will this control take and who will accept it? For after all somebody is responsible, although we don't know who, and they can always take refuge behind some law or other. We therefore run the risk of allowing this procedure to continue and letting things slip, and the result will be further disasters in the future.

Mr President, my conclusion is this: we are talking about a particular type of growth and I think each of us is convinced that this requires energy. However, in my view we evaluate this type of growth far too much in quantitative rather than qualitative terms, and the fundamental problem is to see whether we can reconcile these two aspects. Our populations are right to be anxious. Every day the path we are following puts us in the position of the sorcerer's apprentice. Shall we succeed in mastering our own power? This, I believe, is the fundamental problem which I should like the Commission to tackle. It may perhaps only be a question of imagination, and imagination perhaps means seeking beyond the rational for solutions, in particular to the question of the future of our populations. Whether we are thinking of drilling platforms, nuclear power-stations or, in the future, solar energy, who can say that our descendants will not be faced with other pollution problems? No one.

I therefore urge the Commission to study this matter very seriously and to adopt all the measures needed to reduce future risks as far as possible; for the faster we progress the higher the risks and hence the greater the need for us to provide our populations with extensive safety precautions and guarantees. In fact they should precede technical progress.

With that I shall conclude, Mr President.

President. — I call Mr Jahn.

Mr Jahn. — (*D*) Mr President, ladies and gentlemen, I should like to begin by thanking the Commission and more specifically Mr Natali and Mr Brunner, who have given clear and comprehensive answers to questions on sources of energy and environmental pollution, subjects to which I intend to confine myself.

The operation of coal-fired and oil-fired power-stations has been a subject of great interest to the general public in recent months, with everybody, particularly in the Federal Republic, focussing their attention on the nuclear energy sector. The arguments we have heard from the Commission provide us with a basis for making the debate an objective one, which is what politicians should now be doing. I should like to make this very clear, since we must, of course, proceed from the facts available to us.

The operation of coal-fired and oil-fired power-stations undoubtedly results in emissions, particularly of sulphur dioxide, nitrogen oxide and particles. The environment can also be polluted by heavy metals such as mercury and cadmium. Mr Natali, referring to these two sectors, has quoted figures, which are naturally averages: per tonne of coal burnt, a coal-fired power-station releases 26 kg of sulphur dioxide, 5 kg of nitrogen oxide and 3.5 kg of particles into the environment. This was the case in the past and remains the case today despite large numbers of filters. We are aware that work is being done to improve the situation.

Using the same amount of energy, an oil-fired power-station releases 3 kg of sulphur dioxide, 7 kg of nitrogen oxide and 1 kg of particulate matter. A power-station run on natural gas emits a mere 5 kg of nitrogen oxide, and the operation of nuclear power-stations involves radioactivity, which, however, is released into the environment in quantities which are far below — I stress, below — the natural radio-activity which is already present in the atmosphere and to which we are constantly exposed. In fact nuclear power stations normally cause less than 1% of the maximum permissible radiation dose in the Community. They cause less than 5%, I repeat, 5%, of the dose which the population on average absorbs as a result of natural radiation. Radioactivity released during normal operations thus represents no danger to the public. That should be stated quite clearly here.

Our third question as to whether there are indications that present safety measures in the field of radiation protection are not sufficient in the case of nuclear power stations already constructed, was answered by Mr Natali in the negative. Mr Brunner also referred to this in his answer. He pointed out that since nuclear energy was first used in Europe 20 years ago, not a single fatal accident has been caused by nuclear energy itself, a fact that I feel we should note.

From a study made in the United States, the Rasmussen study, we know that nuclear energy presents fewer dangers than road or air transport.

Furthermore, as Mr Natali said, strict checks on environmental radioactivity are carried out by independent agencies around each nuclear power station in the Member States.

The last subject I wish to refer to is the safe storage of radioactive waste. Mr Natali has emphasized that although the present storage procedures have not resulted in any major inconveniences, they must nevertheless be regarded as provisional.

Ladies and gentlemen, there has been a waste storage site in my constituency 10 kilometres from the centre of the city of Brunswick for over 10 years, and the people have lived with it without undue concern. It is just that recently everything has been so over-dramatized. We also have the large mines dug by the old salt industry, where we could store waste for the next 100 years, perhaps for much longer judging by the latest scientific findings. I say this because we politicians have not been firm enough in this field to make things clear to the public and to do so on the basis of the facts.

We have not had a final accurate answer to our question on the practical measures the Commission intends to propose in the future to achieve the goal of adequate supplies of energy while simultaneously ensuring comprehensive protection of our environment. As things now stand, such an answer is undoubtedly not yet possible.

Mr Natali confined himself to assuring Parliament that the Commission would continue the efforts it has been making for a number of years to guarantee both adequate supplies of energy and appropriate waste disposal facilities.

To conclude, Mr President, our sense of political responsibility cannot allow us to agree to the demand, to which little opposition is now raised, by certain groups for increasingly comprehensive safety measures, which would eventually put an end to the generation of energy, and this not only in the nuclear energy sector. The barriers imposed by environmental protection in the energy production field, must, of course, protect mankind against predictable dangers involved in the production process, but they must not result in a crisis in the Community's medium-term — I am not saying long-term — energy supplies up to 1990. For better or for worse we are dependent on nuclear energy and fossil fuels: for the next few years the development of non-polluting alternative sources of energy will enable us to meet only a very modest proportion of our energy requirements.

I should like to express my thanks once again for the clearly worded documents which have enabled us at last to conduct an objective discussion on the basis of the investigations which have been carried out over twenty years.

President. — I call Mr Ajello, but before he speaks I wish to make it quite clear that the Socialist Group —

President

which still has five speakers on the list — has exactly *two minutes'* speaking-time left.

Mr Ajello. — (*I*) The Socialist Group has considered the various problems arising in today's debate and has asked me to deal with the problems connected with nature conservation.

In this connection, I would like to express some concern at the replies which Mr Natali gave during the last part-session, because they seem to me to give greater weight to energy supplies than to the protection of the environment. In other words, I think that Commissioner Natali has to some extent taken over the rôle of his colleague Mr Brunner, and we are somewhat concerned at this.

The risks of pollution by nuclear energy are certainly less than those from other energy sources. I would therefore like to draw attention more particularly to the danger of accidents and specifically to the problem of storage, which, as we know, is far from being solved.

There is almost universal agreement among scientists that we are still far from having a satisfactory solution to this problem of storage, which has various aspects, all extremely important both as regards pollution and as regards safety and in particular the dangers of nuclear terrorism. There has been much talk of this, and even the suggestion of military protection for these nuclear dustbins involves problems of its own.

This does not mean that we are opposed to the use of nuclear energy. We do believe, however, that it must be used with great care. Moreover, we believe that this problem cannot be left only to the scientists, who in any case disagree among themselves. It should be dealt with politically. We are not discussing here whether development should be speeded up or held back, but what kind of development we want: frenetic consumeristic development or some other kind.

Someone once said that consumerism is the philosophy of selling to people who can't afford it something they don't want. We would like to stand this on its head and give people only what they want.

In this sense the conclusions we reach are identical with those put forward this morning by Mr Flämig, that is, that we should reduce energy consumption, limit the use of nuclear energy to the minimum, develop research into alternative sources and, above all, give priority to the problems of safety. Because if it is true that, as Mr Flämig said, we must leave sufficient energy stocks to future generations, it is also true that we must leave them a world fit to live in.

President. — The time remaining to the Socialist Group has now been more than completely used up.

I call Mr Dalyell on a point of order.

Mr Dalyell. — Mr President, I understand perfectly well the position in which you are placed. The fact

nevertheless remains that item No 26 rests in my name. There has been no opportunity for me, as spokesman for the Socialist Group, to raise this subject, and I thought that, in the agreement to put all these subjects together, it would at least be implicit that the spokesman of the group who had a question down in his name should have three or four minutes. That would be all that I would ask for.

President. — Mr Dalyell, I am bound by what has already been decided. Your group has used up the time allocated to it. It was up to the Socialist Group to ensure that you had a better place on the list.

However, if there are no objections, I shall shortly allow you two minutes, so that the author of a question is not totally excluded from the debate.

I call Mr Blumenfeld.

Mr Blumenfeld. — (*D*) Mr President, the Heads of State or Government of the leading industrial countries of the western world set up at their recent London meeting a specialist commission, which has been instructed to look into ways of averting the dangers involved in the use of nuclear energy and so on. It is to submit proposals for improved international controls within eight weeks. I hope that, since its President attended the London meeting, the Commission was able to lay claim to its right to be represented on this specialist commission.

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, point 1: To give credit to the Commission for the arrangement with the Americans. After all that was said here three weeks ago, I think that we should give credit where credit is due.

Point 2: A question on Dr Brunner's reply. If there was so little danger, Dr Brunner, why was there the need for confidentiality?

Point 3: Who actually decided on confidentiality, and when did they so decide?

Point 4: Could you enlarge on the question of the harmonization of safety and security measures?

Point 5: A question on which you have been given notice. The Euratom control system is responsible for ores, source materials and special fissile materials being used within the Community. As it has the right and the obligation to keep a check on such material leaving one installation and arriving in another, the fact that Euratom could not control transport on the high seas appears to be merely a technicality. Would the Commissioner explain the Commission's responsibility in the light of the Euratom Treaty, and particularly Article 77a and Article 79 (1), questions of which Mr Natali has been given notice?

Dalyell

What is the competence of the Commission with regard to Ekofisk in relation to nation States? Point No 2, on this matter: Could he explain exactly what he meant in his statement about the 'display of solidarity' in relation to the Norwegians? Point No 3: In his reference to the private company, what was the question of compensation involved? Point No 4: Will he give an answer as to whether there should be a European equivalent of a Red Adair company?

I will just finish by saying that if an oil-slick arrived on the East coast of Scotland, I, for one, would not be forgiven by my constituents.

(Applause)

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) As the ship is still under discussion, I should first like to take up Mr Dalyell's questions.

No one decided on confidentiality. The matter itself gave rise to confidentiality. We have a control system, which includes inspections of business practices and of the books. This is accompanied by confidentiality in such matters. In addition, we have a control system which involves Community activity on the one hand and Member State activity on the other. As some of the investigations in this case had to be carried out by the Member States and as these Member States had to treat the findings of these investigations confidentially in order to achieve success, they asked us, back in 1968, also to treat the matter confidentially.

You also asked about the legal position and mentioned Articles 77 and 79 of the Euratom Treaty. On this I should like to point out that the control system works at the level of the Member States of the Community. The control system cannot *eo ipso* be extended to transport on the high seas, this not being a technicality, as you said, but a question of the legal and political nature of the whole matter.

I do not want to prolong this debate unnecessarily. I have told you everything I know. These things happened a long time ago and to some extent they are more a subject for the historian than for presentday politicians. I also wonder why the press should have taken up this affair now of all times. It could be said that murder will out, my question is simply: who discovered the body? Well, I can only tell you on behalf of the Commission that if we have specific problems in this sector in the future, we shall try to convince the Member States involved that Parliament should be informed in good time in the proper manner and in a confidential manner — and there must be very strict confidentiality. And I should also like to tell you that we have learned from this affair. I have quoted a second case in which a better established system restored order, and that is all that I can say.

With your permission, Mr President, perhaps I might now wind up the debate. I do not want to prolong it unnecessarily. I feel that if this debate has served any purpose, then it has shown that we must realize that Europe still does not have uniform energy policy. If this debate has served any purpose, then it was also shown, that you and we are now aware that we must make practical progress in all fields in the coming months and years.

This means that we must achieve our objective of 15 % energy saved by 1985. It also means that we must submit to the Council practical proposals for heat insulation, for combined heat and power production and also for measures which will hurt. And we do not yet know if voluntary action will be enough. It may be necessary to control these things through prices and taxes as a back-up to the voluntary effort. If this is the case and if we put forward proposals which represent demonstration projects and cost money, we will ask you to help to convince the Council.

If this debate has served any purpose, it will have shown that we must use all the Community's indigenous sources. We also need your help in the case of coal. We have put forward proposals concerning coal which have not been well received everywhere. We have asked for an initial 50 million u.a. a year for the financing of pithead stocks. We know that there will be a 30 gigawatt shortfall up to 1985. We know we have to eliminate this shortfall. We know that hard coal is not always competitive in Europe, and we know that we will also be dependent on imported coal.

I therefore consider your proposal reasonable: let us hold back 20 % of these investment subsidies for indigenous coal. To say that only indigenous coal will be supported would probably be unacceptable to a number of Member States. When it comes to our submitting proposals to the Council in June, help us as regards coal.

The next point is nuclear energy. In their final communiqué, the Heads of Government stress that nuclear energy is necessary. They intend doing everything to promote it while reducing the risks, and they are also against the proliferation of nuclear weapons. Those are objectives which we also have in the Community. But when it comes to actually telling people that we must use a technology which involves certain risks, but that we know these risks have largely been reduced to such an extent that it is possible to live with them, we would ask you to help us by telling your constituents the same. If we do not do this, we will be making great statements, but when it actually comes to telling the people what is happening, we will fail.

And tell the people at the same time that we are not doing all this just to achieve economic growth. That is not the only important thing. Of course, we know at a

Brunner

growth rate of only 3 % we have hitherto had a 6 % rate of increase in electricity consumption. We know that we must maintain growth if we want to maintain employment. But there is a great deal more at stake. It comes down, after all, to the elementary problem of the safety of Europe. We must make sure that we do not put all our money on one horse. We must make sure that we have a large number of sources in case one or other of them dries up. And dependent as we are, nothing will help us if we do not use nuclear energy in some reasonable way.

Please tell your constituents this, and also tell them that things will never be the same as they were before the oil crisis of 1973. Conditions have changed. And in the future we will have to make increasing use of technologies which cause some unrest among the public. This unrest arises because not all the possible accidents can be predicted in laboratory experiments. Nobody could have produced in advance an oil-slick of the size that occurred during the North Sea accident, in order to see if a technique could be developed to counteract it. But we must bear this unrest together. We must bear it if we want to ensure that our industrial technological society in Europe continues to develop at a reasonable rate. That is all. Help us in this, and help us when we enter into negotiations with third countries, with the uranium producers, with the oil producers, with the United States, Canada and Australia, on agreements aimed at safeguarding our supplies.

Mr Blumenfeld has asked if we are to be members of this group. The answer is that we shall not be for the time being. After an initial study the Council will then decide whether we as a Community are to participate. I say that we should be members. And I appeal to you to help us to make sure we become members.

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (I) Mr President, allow me to make a few final comments after this very wide-ranging debate. I should like to point out to Mr Ajello that the question tabled by Mr Jahn on behalf of the Committee on the Environment asked the Commission to supply information — on the basis of estimates by our departments and experts — on the degree of environmental pollution and the damage connected with the use of nuclear energy. I have to point out — in reference to a comment this morning by Mr Veronesi, echoed by other Members — that for some time the impression seems to have been growing among the public that, of the various sources of energy, the only one giving grounds for anxiety is nuclear energy. I think it was pointed out in the debate that these views, in the light of the information in our possession, do not correspond with the facts, and it may be that some speeches on the political and economic aspects were based on these.

For this reason the reply I gave to this question was not based on concern about supplies, but tried to give objective figures as a basis for discussion, so much so that Mr Ajello will have to acknowledge that as regards the major problem of waste, in my reply I said that this problem, which is certainly far from being solved, will have to be studied on a sound and clear basis, if a suitable solution is to be found.

In my reply to Mr Jahn's question, I nevertheless pointed out that there were degrees of pollution deriving from other energy sources, and I pointed out the need for a Community policy on the environment.

Much of today's discussion has centred on the 'Bravo' oil-rig, which demonstrates that there are other sectors and other energy sources which must be watched if we are to provide that protection — to which Mr Carpentier referred — against danger to human life, as in the case of underground accidents for miners, and dangers to the environment around us, and under this heading we can certainly include accidents which may happen in the course of this kind of exploration.

I would like to say here quite frankly that it is not by chance that as soon as the Commission heard about the Efofisk accident it made a statement to the Council, in the same way that in this debate it wished to make its own preliminary declaration.

It did this because it believes that, particularly where the protection of the sea is concerned, which involves not only problems connected with exploration but also the dumping of wastes and emissions into the atmosphere, as I said in my introductory speech, our action must be intensified. We therefore call upon the Parliament to help us ensure that the Community policy set out in the programme on the environment, which we are submitting to Parliament, is put into practice through the passing of legislation.

As regards the specific questions put to me on the problem of the 'Bravo' oil-rig, I would say that the means at our disposal to intervene in this matter are at present non-existent, or nearly so. As regards the protection of the sea, we have at present: the Barcelona Convention covering the Mediterranean, to which the Community will become a contracting party within the next few days, through the signing of the Convention by the Commission, representing the Community; the Oslo Agreement on the Atlantic and the North Sea, where the Community has observer status (this convention does not cover damage from accidental discharges or accidents); and finally the Paris Convention, again covering the Atlantic and the North Sea, which is a special convention covering pollution from hydrocarbons. This convention, which has yet to enter into force and to which the Community is a contracting party, does not cover accidental discharges.

Natali

From this list it is clear that the only convention covering preventive measures and follow-up measures is the Barcelona Convention. We hope that there will be a series of agreements which will not only lay down rules on the provision of information but also give guidelines for a policy which, as has been said here, will be preventive and not restrictive and which will deal with problems concerning the safety of installations and related matters.

As regards the demands for the Community to be represented in this sector, the Commission recently asked the Council for authorization to participate in the signing of the Helsinki Convention on the protection of the Baltic Sea. In this sector we are meeting with some resistance, but we believe it is our duty to see that the Community, while taking care — through its policy of research into energy sources — not to inhibit economic progress, at the same time develops a policy on the protection of the environment and the quality of life, in order to preserve the human and social aspects of Europe.

To Mr Dalyell, who asked, a specific question on the term 'a private company' which I used to describe the company carrying out drilling on the 'Bravo' rig. I would like to say that I did not intend to make any distinction between private or public companies, since it is clear that when these accidents arise, the fact that a company is a public or a private one, does not affect the responsibility.

Moreover, Mr Dalyell, I would repeat what I said in my statement: it is our intention to present to the meeting of the Council of Ministers of the Environment a series of proposals which, based on the experience of the accident on the 'Bravo' oil-rig and also on the Community's policy on the protection of the environment, will provide for the coordination and initiation of methods of research and intervention where accidents are concerned.

It is along these lines that we intend to proceed. In our statements we said that we were already carrying out studies to evaluate as accurately as possible the consequences for the marine fauna and flora and we also said that where social problems arise the Commission is ready to present proposals too.

I apologize, Mr President, for having dwelt rather at length on this subject, but I believe that if my speech were to be complete it would probably have to be even longer and more detailed. I think, nevertheless, that I have managed to convince the honourable Members that on this subject we intend to proceed decisively, in the certainty that we are acting on the demands and aspirations of very many European citizens, who certainly wish to see progress but also wish to protect future generations.

President. — The joint debate is now closed. We shall now consider the motion for a resolution

contained in the report by Lord Bessborough (Doc. 45/77).

I call Lord Bessborough.

Lord Bessborough, rapporteur. — Mr President, I just wish to thank those who have supported the resolution contained in this report. I am very grateful to them for having spoken. The resolution has been endorsed by all three relevant committees, and I hope therefore that it will be passed easily.

I am very grateful to the Commissioner also for what he has said, and I should like to take this opportunity of assuring him that we shall do all in our power to help him as he requests.

I have little more to say, except, perhaps, to ask him what chance he thinks there is of the Council's in fact adopting these proposals. If he can answer that in a few words I should be very grateful; otherwise, I hope the House will adopt this resolution unanimously.

President. — Since the representative of the Council does not wish to speak, I call Mr Prescott for an explanation of vote.

Mr Prescott. — Mr President, I think we should make clear to the Commissioner, in view of his reply to our question about the missing ore, that we found his reply not adequate, that it was indeed somewhat confused and to a certain extent his suggestion that the cargo was not important and outside control seems to be answered by his own reply. We feel that we should make clear to the Commissioner that the Socialist Group will have to pursue this matter. If it was not an important cargo, then we wish to know as a Parliament why export certificates were issued, why you sent inspectors to Milan, why you sent three security agencies to investigate and informed the United States of America. Quite clearly, if it was not an important ore, then one would have thought the Commissioner could in this report have given an indication to the House of the problems of sea transport which he talked about today, but there is no indication in any one of these reports about the problems and techniques of control. That is the very least he could have done. The Commissioner made it clear that it was confidentiality that was involved here; this was an important matter and others had made decisions that this House could not be informed of. That is not a satisfactory answer, Mr President.

(Applause from the left)

Frankly, Mr President, in view of those circumstances we feel that the answer has been somewhat misleading, it certainly reflects negligence, it is a breach of our treaty obligations and we feel that it is more important that the Commission should give us further information. The only way for us to do that is to ask that the relevant committee of this House, the Committee on Energy and Research, look into this

Prescott

matter to investigate not only the Commission's proposals but Mr Haferkamp, who was in charge at that time and is a vice-president of the new Commission. When you look at the Americans, there has been clear collusion involved in these issues. The company selling the ore got the money, but nobody knows who paid. The press tells us who is involved in it more than the Commissioner does. To add insult to injury, the information the Commissioner gave us indicated that the very company they asked in 1968 concerning the sending of these ores was in 1969, or just before then, asking if it could send more money, presumably after it had been investigated by the security services. Clearly, collusion is involved. For this House there are serious implications involved, there is public accountability involved and therefore I hope that, like the American Senate, we shall set up our own investigation — in this case, through the Committee on Energy and Research — to get to the facts of this matter.

(Applause from the left)

President. — Mr Prescott, I was entitled to allow you to speak only for an explanation of vote. I am not sure that what you said was one.

Having said that, I call Mr Brunner.

Mr Brunner, Member of the Commission. — Mr President, I have the feeling that I don't get through very well in translation, because otherwise it would not have been possible for Mr Prescott to say that I said at any given moment that this was not an important matter. When did I say that? And how can you base your summing up, which was not an explanation of vote, on such a confused point of view? I tried to establish clearly the factual and the legal sides. I told you that in this report, which is a report on the activities of Euratom, matters relating to confidential enquiries which take place in connection with Euratom controls are never included, and that this is in no way required by the Euratom treaty.

So, please, let us rest our case in a fair way at the end of such a debate, and try to show some understanding in a matter which is now a happening of nine-and-a-half years ago. I have tried to tell you in all frankness how I would proceed if faced with such a matter today. I have tried to tell you that if I were faced with such a matter, I would do my best to get Parliament informed in the due way. That is all I can say and that is all we can do at present. I would therefore ask you to show a fair amount of understanding for the difficult situation in which the Commission is placed nine-and-a-half years after the event.

(Applause from the centre and right)

President. — I call Mr Dalyell on a point of order.

Mr Dalyell. — Mr President, we all know the importance in this Parliament of the work of the enlarged

Bureau. Now, my honourable friend the leader of the British Labour Delegation has in fact made the specific and, in my view, very apt and sensible suggestion that a special committee of the Committee on Energy be asked to look not so much at what happened 9 1/2 years ago but in fact at the issues involved. For example, one of the issues involved is how in fact, not having a national government of any kind, one does inform the Parliament in a confidential way. Dr Brunner has just said, 'I will take steps to inform the Parliament', but other than the sub-committee on budgets, which is clearly inappropriate, there is, as we understand it, no vehicle of secrecy in this Parliament. Clearly this is one of the issues involved, and therefore my point of procedure to you is this: in the light of what has been said, could the enlarged Bureau, which I gather is meeting very soon, consider the issues and report back to the Parliament?

President. — Mr Dalyell, that was not, strictly speaking, a point of order.

Mr Prescott's suggestion is one which everyone can react to in his own way, and I personally think it useful, but it has nothing to do with Lord Bessborough's resolution, nor with any answer that might be given by the Commission. This is entirely a matter for Parliament. Parliament alone will decide whether to set up any committee of enquiry.

I put the motion for a resolution to the vote.

The resolution is adopted.¹

8. Budgetary policy for 1978

President. — The next item is a statement by the Council and Commission on the overall appraisal of the 1978 budget and the report (Doc. 83/77) by Mr Shaw, on behalf of the Committee on Budgets, on

the guidelines of the European Parliament on the budgetary and financial policy of the European Community for 1978.

I call Mr Barnett.

Mr Barnett, President-in-office of the Council. — Mr President, I am particularly happy to have this opportunity to report to the European Parliament on the outcome of the Joint Council of Ministers of Foreign Affairs and Finance which was held in Luxembourg on 5 April 1977. I have already had the pleasure of a discussion with your Committee on Budgets on this subject, and I would like to thank its chairman, Mr Lange, for the kind welcome extended to me by his committee and your rapporteur, Mr Shaw, for the excellent report now submitted for your consideration.

¹ OJ C 113 of 6. 6. 1977.

Barnett

The discussion of the Joint Council was based on the Commission's communication which it had sent simultaneously to the Council and the European Parliament, and the Council concerned itself with the two main subjects of this communication — namely, the budgetary priorities and the institutional aspects.

As you know, Mr President, the Joint Council did not seek to reach decisions about the actual sums of money to be entered in the 1978 budget. This meeting was, in fact, quite deliberately outside the budgetary procedure and was designed neither to compromise the right of initiative of the Commission nor to trespass on the budgetary powers given by the Treaties both to the Council and to European Parliament. The object of this meeting was to enable the Council to inform the Commission of its general views on budgetary priorities.

A main preoccupation of the Council was the problem of unemployment. As you know, in the context of unemployment and convergence, the European Council, at its meeting in March, had agreed that in order to promote sustained economic recovery and mitigate unemployment without risking the renewal of inflation, there was a need for intensified cooperation at the Community as well as at the international level. The Joint Council, in the light of these views expressed by the European Council, broadly agreed with the conclusions reached by the Commission. These emphasized the need for measures which would combat unemployment, especially of young people, promote convergence in the economies of Member States and achieve greater coordination in the application of structural intervention funds.

Another important subject was, of course, agriculture, which accounts for three-quarters of Community budget expenditure. Everyone was well aware that it is extremely difficult to forecast agricultural expenditure, which is largely dependent on fluctuations in the market and on external factors such as the weather and levels of world production. Furthermore, as the Commission had pointed out in their communication, Community support is open-ended and containment of this expenditure in the short term is therefore very difficult. The Commission communication urged action on two fronts to reduce the budgetary cost of the Common Agricultural Policy: on the one hand, they urged action to reduce structural surpluses and improve marketing arrangements, on the other hand, they envisaged the introduction of the principle of compulsory digressivity in order to reduce the cost of monetary compensatory amounts. Whilst many members of the Council expressed their views on the problems of agricultural expenditure, there was not complete agreement in the Council on the priority to be accorded to the two approaches advocated by the Commission.

The Council also expressed general agreement on the need for reducing the Community's dependence on

imported energy. At the Joint Council, it was recalled that, when the European Council at its meeting of 2 and 3 December 1975 invited the Council to hold these joint sessions, it had suggested that these discussions should 'facilitate the gradual introduction of multi-annual assessments of expenditure, which would result in the improved distribution of Community resources'. Several members of the Council, whilst recognizing that this year, in view of the review of the operations of the Social Fund and the beginning of discussions about the next phase of the Regional Fund, it would have been difficult for the Commission to give any up-to-date quantitative orders of magnitude as background for the Council's discussion, expressed the hope that in future years the Commission would take seriously to heart the European Council's views on multi-annual assessments of expenditure.

The institutional questions dealt with in the Commission document are particularly significant this year, since on present plans 1978 will see the introduction of the definitive system of the Community's own resources. To that end, it is hoped that VAT 'own resources' will be introduced in 1978, and the Commission have already proposed that the European unit of account should be applied to the budget. These changes entail quite considerable amendments to the financial regulations. The Council is working hard on these problems, which will, of course, when and where appropriate, be subject to the conciliation procedure with the European Parliament.

A further institutional question raised in the Commission document was the question of loans with a view to improving Community finances. The Commission have promised to submit specific proposals on this question. The subject was not therefore discussed in detail by the Joint Council, although certain delegations did express hesitations.

Mr President, these are, in short, the main subjects which were discussed by the joint Council. As President of the Council, I am happy to have had the opportunity of giving you this report. I am at your disposal to give you any further clarification which I can, and I shall, of course, listen to your debate with the closest interest.

(Applause)

IN THE CHAIR : MR YEATS

Vice-President

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Mr President, it gives me great pleasure to participate in a general debate at this time on matters relating to the 1978 budget. It is difficult when talking about the

Tugendhat

budget sometimes not to become wholly enmeshed in details and in figures, and therefore I feel that a debate of this sort, before we get into those figures, can do nothing but good.

I would also like to express the Commission's gratitude to the Committee on Budgets and to their rapporteur, Mr Shaw, for producing a draft resolution which represents a constructive and useful response to the assessment of overall budgetary problems presented by the Commission in March, and which also, I feel, represents a striking similarity of approach between the Commission on the one hand and the Parliament on the other. Mr Shaw's draft resolution makes its recommendations under three main headings. There is first the new budgetary structures, then the 1978 budgetary policy and finally specific budgetary points of crucial importance. It seems to me that it would be to the convenience of Parliament if I commented on each of these items in turn. I will endeavour to be as brief as possible, following the example of the President-in-Office, but it may take me a moment or two longer.

Under the first heading, *new budgetary structures*, the motion for a resolution calls on the Council to complete the programme of institutional changes planned for the 1978 financial year before the opening of the 1978 budgetary process. The Commission shares Parliament's concern that this should be done, and very much hopes that it will. The Commission is also grateful for Parliament's support. There are, of course, difficulties. In the case of the introduction of VAT as an 'own-resource' on 1 January for instance, there is, regrettably, one reservation still to be lifted by a Member State on the Sixth Directive. Every effort is being made by the Commission, and indeed by others, to resolve this difficulty in time for the necessary domestic legislation to be implemented. The latest indications, I am happy to say, are reasonably hopeful on an early understanding, but the problem is not yet resolved. Meanwhile, however, the Commission has forwarded the VAT financial regulation to the Council and the Parliament in good time for VAT to be introduced as an 'own-resource' next year. The proposal for a revised regulation 2/71 will follow shortly.

I have to acknowledge nonetheless that the remaining proposed change in the budgetary structure — namely the introduction of the European unit of account, is also raising problems. Not only are there many technical aspects to be discussed. There is also a difference of views about the interpretation of Article 131 of the Accession Treaty. When I too had the pleasure of appearing before the Committee on Budgets, as Members of the House will recall, I drew their attention to this outstanding problem.

In order to facilitate the swift completion of the whole programme of institutional changes, it was agreed, at

the Commission's suggestion, by the Joint Council of Foreign and Finance Ministers, held in Luxembourg on 5 April, that the Committee of Permanent Representatives should report to the Council with a view to enabling it to take a final decision no later than one month after Easter. I hope very much that the Council will be able to meet this deadline.

The motion also calls on the Commission to take full account of the proposals put forward by Parliament for improvements in the budgetary procedures. I assume that this part of the motion refers mainly to the recommendations which Parliament has made for improvements in the budgetary calendar, in particular the request that Parliament be informed of the substance of the preliminary draft budget soon after the Commission has adopted it, the proposal to send to Parliament the rectifying letter for agriculture as early as possible in September, the request for final consultation between the Council and Parliament to be earlier than last year, and the demand that the number of supplementary budgets be limited to a strict minimum.

I hope I have managed to cover all the points which were raised. Broadly speaking the Commission accepts that all these changes are desirable in principle, although there are, of course, some difficulties in practice and, as the rapporteur himself says, I am endeavouring to tackle some of them in conjunction with him on an informal basis before we can, as we hope, reach a joint position.

In connexion with new budgetary structures, the motion also welcomes the Commission's intention to improve Community financing capacity by means of long term borrowing guaranteed by the Community. The Commission services have already commenced intensive studies into a wide range of possible initiatives in this area, and as the House knows, and as I would certainly like to confirm, this is a point to which we attach considerable importance, and which we feel may well have useful potential for the future.

Turning the second heading in the motion for a resolution, *1978 budgetary policy*, I would like, in particular, to refer to paragraph 6, which states that the budget should be determined 'in the light of Community needs and goals, rather than being determined by considerations arising from past trends in the GNP, the national budgets and the price-patterns of Member States'. It is of course, important to be clear, as I know the rapporteur is, that only one part of the budget, non-compulsory expenditure, is formally linked to the gross national product of the Member States. I want to emphasize that the Commission agrees entirely that it is the Community's needs and goals which must be the main touchstone for all decisions on Community expenditure. Applying such a touchstone, I feel, does not mean that we should be precisely tied to considerations of gross national

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expenditure ; it means that, but it also means that we must not increase the budget merely for its own sake. The Commission believes that it is absolutely essential that we only increase public expenditure at Community level when we have established beyond reasonable doubt and by exhaustive scrutiny that such spending is fully justified in terms of our agreed objective.

Here, I would like to repeat further a point which was emphasized very strongly in the Commission's written communication to Parliament. Community action should not necessarily be an addition to public activity, spending and taxation. The Community should not seek to duplicate the activities of the nation State, but should rather try to do at Community level those tasks which are already being, or will have to be, undertaken, but which the Community has had a request from the nation to fulfil. If this is the touchstone, there need be no net increase in public expenditure. Indeed, there may even be a net reduction. The motion calls for proposals which will catch the imagination and win the support of the European public, I believe that only proposals which do not unnecessarily increase the burden of governmental taxation upon Europe's citizens, but which instead provide effective solutions to problems which individual Member States have been unable adequately to tackle on their own, can hope to elicit an enthusiastic and enduring public response.

Of our course, Mr President, the objective merits of our proposals will not guarantee their popularity. That is very rarely the case. It will also be important for the Community's measures to be as widely known and as widely understood as possible. I can assure the Parliament that we shall do our best to ensure that the process of establishing the 1978 budget is as widely publicized as we can secure. We hope efforts will enable a wider public to understand both the general principles underlying the budgetary process and the concrete implications of the specific proposal that will be put forward. It is indeed debates in this course which can convince the public at large that what we are talking about is of practical relevance to them and not merely some obtruse and esoteric seminar about units of account, compulsory and non-compulsory expenditure, monetary compensation amounts, and all the rest of the jargon that is inseparable from matters of this kind.

Finally, Mr President, I should like to make a few remarks about the third section of the motion for a resolution entitled *specific budgetary points of crucial importance*, which discusses the specific priorities Parliament would like the Community to observe in the next financial year. Since the Commission's document on the overall assessment of the Community's budgetary problems was submitted to the budget authority in March, the preparation of the 1978 budget has reached a fairly advanced stage, but the

Commission is not expected to take a final decision until towards the end of May. It would therefore, be premature to adumbrate in any detail the main features of the general budget for next year. At this stage, I have to restrict myself to references to the broad outline of priorities which are set out in the Commission's document.

In addition to the constant need to restrict Community expenditure to the kind of genuinely useful activities, which I have already described, there is at present, as the Commission document insists, a further set of constraints imposed upon expenditure by the difficulties of the European and indeed of the whole world economy. With every Member State under pressure to rein in its pending plans, it is clear that the Community budget must also be constructed realistically to include only what can be fully justified by the Community's main economic needs. And against this background, I want to state my very great satisfaction that the specific priorities that have been selected by the Committee on Budgets correspond almost exactly to the broadly defined objectives already identified by the Commission.

On the agricultural front, the Commission's document expressed our wish to bring expenditure on the CAP under closer control. The recommendations which the Commission made to the Council of Agricultural Ministers in February were designed to achieve this object, and also to help retain the related purpose, which is stated in the committee's resolution, of establishing a better balance between spending on agricultural markets and spending on agricultural structures. Unfortunately, the Council of Agricultural Ministers have to a great extent ignored the Commission's proposal, and have concluded a price settlement which will increase the cost of the agricultural budget by four times as much as the Commission proposed, thus reinforcing the imbalances in the agricultural budget taken as a whole. I think it is very important indeed, Mr President, for Parliament and for European opinion as a whole, to understand the responsibility of the Council of Agricultural Ministers in this matter. So often in the Member States, it is assumed that everything that is done in our Community is done by and for the Commission. That is not the case, and it is very important that the responsibility for acts should be placed where it belongs, and that public opinion should understand where the responsibility for what has been done belongs. When we are responsible we will take the responsibility ; where others are responsible, it is necessary that the responsibility should be laid at their door.

In the fields of industry and energy, however, where there is also a close similarity between the position of the Commission and that expressed in Parliament's motion, I hope and believe that our shared objectives will receive a much more constructive response from the Council of Ministers.

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In reply to the motion's call for improvements in regional and social policy, I would draw Parliament's attention to the fact that the Commission has already announced its intention to increase the activity stemming from the Regional Fund, and also to achieve a consolidation of the Social Fund's activities. It is important to remember here that figures are not all that matters: just as important is the effectiveness with which the money will be spent. The Commission intends to complete its review of the basic rules of both funds in time for Parliament to assess the figures which will be presented to it, in the light of the important administrative changes which will accompany them.

On the question of priorities, I should like to stress how grateful I am to Parliament for supporting the Commission in its concern to maintain the Community's effort to aid the Third World.

In conclusion, I would like to say how heartened and encouraged I am by the very considerable measure of support for the Commission's approach to budgetary policy implied by Parliament's motion and to say that I look forward to working very closely indeed with Parliament on the details of the 1978 budget in the latter part of this year. We got off to a harmonious start; I hope we shall be able to reach a harmonious conclusion.

(Applause)

President. — I call Mr Shaw.

Mr Shaw, rapporteur. — Mr President, I regard it as a great privilege to be the rapporteur for Parliament on the 1978 budget. I am fully conscious of the fact that I follow Lord Bruce, who has set a very outstanding record of achievement in the way he put through last year's budget, and I hope that I shall follow in his footsteps both in industry and in skill. I think I can also say that the Commissioner will have looked back on last year and earlier years and noted the very high standard that his predecessor set in persuading us of the Commission's views — nearly always, but not always — in many fields. I am sure that he, too, will be equally persuasive this year.

I must welcome the President of the Council, who feels, I am sure, that life wherever he goes is one long budget: from dealing with the national one yesterday, he now comes to deal with the European one today. Nonetheless, we welcome him, and I am bound to say I always feel that he brings a cheerfulness to the most recondite of subjects or, indeed, the gloomiest of news. How glad we are to have him with us in this debate.

I believe that we are to have a very important budget deliberation, although this year we are starting earlier than ever in the budgetary process with this general debate. I am quite certain that the two speeches which

we have already heard make sure that this general debate has been worth while.

The motion for a resolution which is before the House sets out the broad political guidelines that the Committee on Budgets believes should apply in the Communities' budgetary and financial spheres in 1978. Specific figures obviously are not set out, because these can only be considered at a later date, when the Commission has put forward the preliminary draft budget. The political guidelines for the 1978 budget, however, were discussed by our Committee on Budgets on three occasions over recent weeks. Account was taken of the Commission's communication COM(77)20. That text, which, if I may say so, Mr Commissioner, was a great improvement on those of other years, was referred to Parliament, as one of the holders of budgetary authority, to enable it to state its views. I submit that the report of the Committee on Budgets now before the House gives Parliament's response.

So far as the Council is concerned, we stress that their work on several crucial issues must advance with the utmost rapidity if the structures for the 1978 budget that have been called for by Parliament over the past year are to be set up in time. I refer in particular — they have been mentioned, but I will mention them again — to the amendments to the financial regulation applicable to the general budget of the European Community, the introduction of the European unit of account, and the measures relating to VAT and the Communities' own-resources system.

Parliament — and I want to put this on the record — has taken the necessary steps, and has taken them in good time, to have these actions advanced. For many months, and in the case of VAT for many years, the Council has been aware of our position in regard to these measures. The time for action on them by the Council is during the next few weeks.

I sincerely hope that the Council will not fail us, and I welcome what the President has had to tell us this afternoon, because I know of the tremendous difficulties that have genuinely been faced by all parties in reaching a conclusion on this matter.

So far as the Commission is concerned, the motion for a resolution also sets up certain key political orientations in regard to the preparation of the preliminary draft budget for 1978. The Commission has been asked to take full account of the proposals to improve the budgetary procedure, and I welcome the sympathetic response that we have had this afternoon. These proposals emanate from the *ad hoc* working-group on certain budgetary questions, an important sub-committee that meets, largely unknown by the rest of Parliament, to try and make the working of the budgetary procedure more efficient each year, and I hope that it does. It is chaired by Mr Cointat and it has sat for the past year and a quarter.

Shaw

In particular, the following proposals are brought to the attention of the Commission: the budgetization of loans and the rationalization and improvement of the formulation of borrowing policy; the budgetization of appropriations for third countries and an improvement of parliamentary participation in the granting of aid; the presentation of commitment appropriations; nomenclature aspects; budgetary clarity and transparency; the need to avoid supplementary budgets, with recourse being had instead to rectifying budgets; finally, coping with the problem of the EAGGF appropriations. All these will be found, if colleagues are interested, in a full statement made on these matters in Document 97/76.

I would next make one or two comments on the subject of borrowing, which has loomed large in earlier remarks. It is the view of the Committee on Budgets that long-term borrowing will add to the flexibility of the budget. It will put the Community on the same footing as other authorities and enterprises, by enabling it to borrow for worthwhile and carefully-selected purposes. Of course, money borrowed must be repaid. This underlines the need for a disciplined approach. Clearly, the proceeds of long-term borrowing should not be spent on current-account appropriations. Investment must be the keynote.

Exchequer transactions and other short-term shock transactions are not ruled out, of course. Such temporary arrangements may be necessary, on occasion, as a result of the pattern of receipt of the Community's own resources, but their temporary nature must be clear both in intent and in out-turn. What is needed is a global and coherent approach to borrowing by the Community, as opposed to the haphazard practice which is applied at present, and it must be set out in such a way that it is clearly apparent. We hope that we shall have the Commission's concrete and detailed proposals on this matter in a short while.

The chairman of the Committee on Budgets, Mr Lange, who has offered me his apologies for not being here this afternoon, wants the Commission to set out clearly the objectives of the Community in the different policy fields and not to regard the budget as a series of funds set side by side. There is no doubt that clear expression of objectives would show us all where the Community is heading: also, it creates the conditions most conducive to the efficient use of Community resources. This feeling is reflected in paragraph 4 of the motion for a resolution, which was endorsed fully by my committee. From the outset, I have stressed that the 1978 preliminary draft budget should be a genuine fiscal and budgetary document which comprehensively covers all expenditures that are foreseen for the year ahead.

The 1978 Budget will, as I think we are all aware, mark a major turning-point in the life of the Community. Many things are, we hope, going to happen. It will be the first budget with the system of VAT in operation. The new European unit of account will begin to operate, although it will be some time before it applies fully to all budgetary transactions. The revised Financial Regulation will apply also — at least I hope it will.

Some tasks can, I know, be performed better by the Community than by the individual nations themselves, and I am glad that the Commissioner did make this point. This is the reason why, when one is pressing for other activities, one doesn't necessarily mean that one is pressing all the time for more expenditure. We are pressing mainly for a better use of funds, although sometimes it may well be that additional funds are necessary as well. But I do believe that the budget should not simply mirror past trends in GNP prices and Member States' budgets; it must relate, in some greater or lesser degree, to the needs and the goals of the Community. Thus, within its limitations — and the Commission document spells out those limitations quite clearly — it must be courageous and comprehensive, if for the very reasons that the Commissioner himself mentioned, namely, that the individual nations can, on occasion, be too narrow in their own views and do not always consider the Community point of view, which, in the long run, may well be the better point of view for the nations concerned.

This year we shall see the new Commission producing its first preliminary draft budget. We in the European Parliament shall expect to see in it — because, after all, it is a new Commission — fresh ideas and a recasting of existing policies to suit the evolving situation. Above all, there must be significant proposals in many areas so as to spark off a new dynamic in the Community. People may say that in putting forward our resolution we are asking too much, but I believe that in this preliminary debate it is part of our duty to inspire, to seek to get people to review in its entirety the future, and future needs, so that one can raise that fresh interest that is so needed in the Community. In particular, new proposals will be looked for in relation to the common agricultural policy, social and regional policy, industrial, transport and energy policies. If the 1978 Budget is a worthwhile text — and I have every hope that it will be — its impact on the progress of European union may be striking. We need, as I have said already, to capture the imagination of the European public, to win their enthusiasm and support, especially in the direct-election year of 1978.

So, Mr President, without intruding on the responsibility of the Commission in the preparation of the preliminary draft budget the motion for a resolution

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suggests, especially in paragraphs 8 and 15, those broad spheres of crucial importance where a particular effort at restructuring is called for.

Energy, research and transport are all closely related. We should like to see common policies evolve which covered these areas in a comprehensive way, and which were relevant to the future needs of Europe.

Europe must also be able to compete in the industrial sector, on a world scale, if we are to safeguard the future welfare of our people. Moreover, such a drive in this direction is all the more necessary because it is from the profits earned by a healthy industrial sector that funds can be made available for spending on the other policies we wish to pursue in the regional and social fields, as well as in aid to the Third World. In that regard I welcome the uncompromising statement made by the Commission in its document that the main priority must be the attack on unemployment and the reinforcing of the Community's economic structure.

Considerable social as well as economic importance is attached to helping small and medium-sized enterprises in starting — and even continuing — when temporary difficulties arise. Such help not only serves to maintain present employment opportunities, it also serves to encourage new and growing enterprises for the future. I do not want continuing subsidies; they are not envisaged. However, loans or grants of a specific nature might well be appropriate.

One cannot say too much about the need to reduce Community dependence on imported sources of energy, or indeed about the need to cut out wasteful use of existing energy resources, but as that has been the subject of a very long and a very interesting debate today, I will say no more on that score.

So far as the regional and social policies are concerned, clearly these must take a new road after this year, and we hope that a new pattern will emerge that is better than the unsuccessful pattern that has been seen in recent years. The key problems to be tackled are the widening gaps between richer and poorer areas of the Community, the need for action against unemployment and the need to help the less fortunate, and especially the young, to find jobs. In particular, we are concerned at the slowness with which proposals have been implemented in the past.

Two further points. First and most important, the securing of price stability must be a key Community objective. The problem of inflation is linked with the monetary difficulties that have so disturbed agricultural markets and have impeded progress towards monetary union. Steep price rises have adversely affected the ability to compete and have worsened the lot of the unemployed.

Action to fight inflation is largely something that must take place over the medium term. Thus it is

appropriately a central element in the Community's fourth medium-term economic policy programme. Nevertheless, we would urge the Commission to keep this problem constantly in mind when drawing up the preliminary draft budget for 1978.

Secondly, we should never neglect the aspects of the general budget relating to the provision of staff. Although seemingly modest in relation to the total of the budget, nevertheless it touches on a vital element. The success of the Community will turn to a considerable extent on the calibre and the quality of its officials. It isn't merely a question of numbers or rates of pay. Recruitment, personnel policy, training, mobility, promotional outlets, the cross-fertilization of ideas all come into play and must be kept under review.

Now, finally, I come to the subject of budgetary control. The Committee on Budgets fully appreciates the importance of control of the implementation of the budget. It is aware of the responsible tasks being carried out by its Control Subcommittee. This is a vital parliamentary role if we are to ensure that the budget is being implemented as adopted, and if we are to check that the Community taxpayer gets value for money. This importance has grown with the evolution of our role — our role in regard to the Community's own resources. The new Court of Auditors will be of invaluable assistance to us in this work.

And so, to conclude: whilst I cannot mention in this short speech every aspect to be covered, the 1978 budget should be a comprehensive budgetary policy document; it should mark a turning-point in the life of the Community; it should feature a number of worthwhile proposals in the crucial spheres pointed out in the motion for a resolution before the House.

If the principal political guidelines set out by the Committee on Budgets are respected, I have no doubt but that the 1978 budget will play its full part in giving to the Community the new impetus which it requires so urgently.

I beg to move, Mr President.

(Applause)

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

Lord Bruce of Donington. — Mr President, my group would like to congratulate Mr Shaw on the report he has produced on the various proposals that have been put forward as guidelines by the Commission. We do that because, first of all, the ideas are put with Mr Shaw's customary lucidity, there is no point on which we would venture any dissent and in fact, as in the case last year, most of the objectives set out by the rapporteur under these circumstances are such that would command the overwhelming support of the House.

Lord Bruce of Donington

My group, however, Mr President, has misgivings. Our principal misgiving concerns, not the content of Mr Shaw's report, with which we agree, but the Commissioner's approval of it, which the Commissioner has just given. Mr Tugendhat has obliged the House and indeed the Committee on Budgets by conceding that he agrees in principle with practically everything that is contained in Mr Shaw's report, and on that basis the House should presumably congratulate itself that at this early stage in the 1978 budgetary proceedings everybody is in accord and we can look forward, therefore, to putting into practice precisely those principles which have been enunciated in Mr Shaw's report and with which the Commissioner has agreed.

Unhappily, Mr President, we know that this is not so. We know indeed, whatever has been said by the Commissioner this afternoon — and he has spoken in most felicitous terms — we know perfectly well from an examination of this document COM (77)20/final of 22 March that the Commission have not the remotest intention of departing from the policies that they pursued in 1975, 1976 and 1977. The document makes it quite clear. We all know in this House *ad nauseam* that 75 — 80 % of the expenditure in the Community budget is going to be spent under the agricultural head. The Commission are very pious about this. They say, and I quote: 'The major part of expenditure must continue to be open-ended spending on agricultural support'. Mr President, where is now the Commission's implementation of the very firm lead, given by the President of the Commission in this House in January last, that there would have to be some overhaul of the agricultural policy? According to this, there is nothing in 1978. The major part of expenditure, say the Commission, must continue to be open-ended spending on agricultural support, so no changes are involved there.

Indeed, Mr Tugendhat himself has already made some very pungent observations about the action of the Council of Agricultural Ministers over the last week or so. He touched upon them this afternoon, but speaking on 2 May last he said — as a means of outlining the Council's attitude towards such matters —: 'The frankly irresponsible attitude of the agricultural ministers stems in practice from an institutional problem which the Community can no longer ignore'. 'Minister X', he said, observing a very proper anonymity, 'accepts a substantial price increase for particular products to please Minister Y, who will in turn please his colleagues by accepting a rise for other products'. The results, declared Mr Tugendhat, produce an unbelievable situation — to the extent that the agricultural ministers of the Nine constantly criticize the increased cost of the agricultural policy year after year while they take decisions to increase these costs and to increase waste. This formidable indictment by the Commissioner will find very, very close support indeed throughout my group, which, as you know, Mr President, is uniquely representative of all nations in the Community.

Now where does that leave us? In the Commission document, they inform us, of course, that just in the same way as national budgets have to impose national disciplines, so the European budget must impose national disciplines. We know what that means, from bitter experience in 1975, 1976 and 1977. It means that the Community budget will be kept in total to round about 2 % of the gross national budgets of the Member States of the Community and at or around 0.6 % of the gross national product of the aggregate Member States.

So we have a situation of open-ended expenditure on the Agricultural Fund, which, the Commissioner very legitimately complains, is a static feature of the total budget. So what is going to suffer? The things that are going to suffer in the budget that is going to be presented to us shortly by the Commission — or, if not by the Commission, in the final draft from the Council — will be precisely those minuscule sums that are supposed to be spent with the grand object of reducing unemployment, of alleviating the problem of the young unemployed, of reducing the disparities which the Regional Fund is designed partially to remedy. We know at whose expense the budget to be produced in 1978 will be. There will be very few new projects, there will be only a minuscule amount devoted to research and development. We know this. It is all very well for the Commissioner to agree with Mr Shaw on the general principles that he has enunciated. I am quite sure that the Commissioner is perfectly truthful about this. I am quite sure he shares the aspiration, but he knows, and the Council know, that the Commission have not the faintest intention of producing a 1978 budget which serves any of the purposes to which he has paid lip-service and in which he perhaps sincerely believes.

This is a situation which my group do not intend to allow to pass by silently. It is all very well year after year the Commission and the Council coming to this Parliament with budgets which are a mere fraction of the total resources of the Community, pretending they are doing something quite extraordinary, pretending they are in any way contributing to the alleviation of unemployment in Europe, pretending that they are in any way helping with the problem of inflation. In fact, they are not. Indeed, one of the prime examples of the Commission's contribution to inflation is the introduction of this new extraordinary expression — and the Commission are very fond of introducing new and extraordinary expressions — of 'taking steps to ensure the obligatory degressivity of monetary compensatory amounts', which in common parlance means that they take steps to phase out monetary compensatory amounts, which, in their present form, were introduced on 27 and 28 February 1975, about 10 days before the conclusion of the agreement at the Dublin conference on the confirmation of Britain's entry into the Common Market. What does the Commissioner mean? He knows perfectly well what

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will happen if that occurs. He knows perfectly well that this question of ensuring what he calls obligatory degressivity of compensatory monetary amounts would, in fact, aggravate the inflationary problem as between the countries with appreciating currencies and the countries with depreciating currencies. It would not reduce the convergence between Member States but would in fact increase it.

Happily, I am able to redeem the Commission, and with them the Council, because I observe that at the conclusion of Mr Tugendhat's very learned remarks on 2 May, he did say — and in this my group has hope, very considerable hope indeed — that he believed in future that the agricultural debate — and that ultimately is what a budget debate is all about — should not be the reserve of agricultural ministers alone, but be extended to include the consumer and the taxpayer. With that, Mr President, the Socialist Group most uniquely concurs. It would also like to pay this tribute to the President-in-Office, however much he may have been denounced by those that dance like puppets at the end of COPA and Sir Henry Plumb: it would like to congratulate him on at long last taking a stand in favour of the consumer and trying to balance the consumer's interests against those of the producer.

Now, Mr President, I have been somewhat critical of what I believe the Commission may be about to do on the basis of the document they have produced, what the Council may be prepared to do on the basis of what the Council has said, and also the Council's revised view as expressed at the Rome meeting. I have passed observations as to what it looks as though they may do. Now, Mr President, on behalf of my group I hope that some of my gloomy prognostications, however well documented these may be, and indeed they are, will not come true. I hope that the Commission may have second thoughts and that instead of the dull repetitive dirge that we have had in 1975/76/77, after this debate has taken its course and the Commission has consulted its own counsel, we may have a budget in 1978 which is worthy of this House and worthy of the people of Europe.

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

Mr Aigner. — (*D*) Mr President, ladies and gentlemen, everything started out so nicely. The President of the Council made such a pleasant statement. This pleasantness was then surpassed by the Commissioner's statement. Our rapporteur is, in any case, a pleasant man and continued in the same vein. This English concert in the European Parliament has in fact only been interrupted by my old friend from the Committee on Budgets, Lord Bruce.

I should just like to say that this pleasantness should not be allowed to cover up the difficulties and that when we come to the final stages of the debate, things will no longer be quite so harmonious as they appeared at the outset.

But first a serious word with the President of the Council, for I have a feeling that he has done everything, even with regard to the general atmosphere, to steer the Council's partnership with Parliament into untroubled waters. I feel that we should thank him for this.

I am also grateful to you, Mr Barnett, for what I consider to have been a very open discussion in the Council on the possible intervention of limiting budgetary expenditure in the coming year to 10%, this being an overall limitation, the policy not having been discussed at all. I am very grateful to you for the fact that an idea of this kind should become apparent not only in the background, and I feel that we should talk about the policy of the Commission, the Community and Parliament. And when we have reached agreement on the political concept, we must also draw the conclusions with respect to financial policy.

I should also like to thank the Commission sincerely, and I am not saying this out of mere courtesy. I believe that this is an excellent paper. It reveals a realistic concept without the slightest hint of a desire to accept that the Community should come to a standstill. I was, however, Mr Tugendhat, surprised about one point, and I should like to put things right immediately — perhaps I did not hear you correctly or it was a mistake in translation: you said — or at least I understood you to say — that Parliament was inclined to support the demand for prices in the agricultural sector to be brought under control. To avoid any misunderstanding, I will read out paragraph 9 of the report drawn up by our rapporteur:

Considers that, in regard to agriculture, a better equilibrium between the organization of the market and the structures policy constitutes an element essential to the safeguarding of the common agricultural policy and would provide the conditions necessary for progress in the less favoured agricultural areas; therefore, demands that the Commission take these considerations into account and translate them into concrete budgetary proposals.

Mr President, what we need is equilibrium between production and the market. I believe that all shades of opinion in this House are agreed on that. But this does not mean that equilibrium can be achieved in the market by using the instrument of price policy alone. This instrument has already been used and failed. The policy failed. What we need is imagination, something which the Commission has used in the milk sector. We intend to give that our full support.

Aigner

Lord Bruce, again and again I am astonished at the harsh way in which you describe our agricultural policy. I hope that you are fully aware that safeguarding food supplies in the Community today costs the European citizen less than the policy of subsidization pursued by a country such as the United States of America with its enormous surpluses of agricultural produce. Just ask your self — and I believe that I am now speaking on behalf of the majority of this House — what speculations there would be on the world market if you reduced our agricultural production by 20 or 30 % tomorrow and we had to buy an additional 20 or 30 % on the world market. After all, you have had the case of sugar, especially in Britain. Then production fell by only a few per cent — only a few per cent — just remember how high the price went up. And I believe that Britain, above all, was extremely grateful when the Community made a subsidy possible for the British consumer, who benefited by the stability of prices in the Community, even though no provision is made for this in the Treaties.

I should therefore like to say that my group fully supports every aspect of a policy which aims at achieving equilibrium between production and the market, but we are opposed to the use of price policy as the only instrument in this because that would remove 20 or 30 % of our agricultural produce from the market. And that should not be the Community's policy.

I fully endorse the statement made by the President-in-Office of the Council. Everything he said can, I feel, be accepted by us. But, Mr Barnett, if we simply accepted the declarations of intent by Presidents-in-Office of the Council, we would have full integration in the Community and would no longer need to even mention the problems we are discussing today. Declarations of intent are no use to us at all. What we need in the pragmatic implementation of our policy is better understanding on the part of the Council of Ministers or a greater ability to take action. When I think how many proposals from the Commission and Parliament have not yet been dealt by the Council, then I feel the public should note one thing: the fact that the Community is not making progress more quickly is certainly not the fault of this House. The blame lies principally with the inability of the Council to function properly. We know, of course, that it takes time to learn something. The will is undoubtedly there. We hope that, using the necessary rigour and the scope we have, we can get our policy accepted during the coming budgetary discussion.

Mr Tugendhat, I feel that we should not remain silent about one principle here. The more this Parliament calls for the availability of operational funds in order to achieve political progress in the Community, the more strictly must the principle of economy be observed by the Commission and the Parliament in its

control activities. We shall have to apply the principle of economy very strictly in our appraisal of the draft 1978 budget. I should also like to say this to Parliament with regard to its own budget. Only if we leave not the slightest room for public criticism of our own budget, do we have the right to ask for more in the case of operational funds than has appeared possible in the past. I must say that the concept submitted to us — and there is no doubt about this — generally corresponds to our own political ideas, and I am very grateful to you, Mr Tugendhat, for mentioning this in so many words. I feel that we have a meeting of minds on this subject.

It is certainly not true to say that in difficult financial situations the financial volume of the European Community may not grow at a faster rate than the national budgets combined. To repeat what has been said so many times in the past, progress towards European integration means eliminating tasks at national level where they can be performed more cheaply at Community level than in the individual Member States. There would therefore be a shift, if I may put it in somewhat abstract terms.

In the field of development policy this would be possible without delay, and the Third World would be grateful to us if we could present it with a clear-conceived scheme on which it could also count. Why, Mr Barnett, are the Member States not doing this? It would not cost the Community as a whole a penny more, but it would make for greater efficiency. But, of course, we know how it is. There is a chief of section here, a government councillor there, a chief of division, a State secretary, each with his little budget, and every one of them would have to give up a little of his power if he were to transfer some of his budget to a new level, the European level.

These are the real obstacles, and perhaps a world should be addressed to the members of the Council themselves on this. They should not make themselves so dependent on the officials in their institution. This is not a criticism of you, but I believe that anyone in this House who has kept an eye on policy in the last ten years has often been very disappointed at the lack of commitment and of detailed knowledge. The various members of cabinets have come here and made European policy. In my view, therefore, here, too, there should be a rather more dynamic European approach and more independence.

As regards the agricultural concept — and I am now addressing Mr Tugendhat — if the public is to have a clearer picture, it is simply not admissible for sums running to thousands of millions to be entered under agricultural expenditure when in fact they concern subsidies that have to be paid because there is no monetary policy. That is the cause of the confused discussion on this area.

Aigner

I have one request to make in respect of the consultation procedure. Mr President, we should both undertake to prepare the consultation phase well in each case and not simply regard the utterances of the other party as a statement so that we can then pass on to our own agenda. The consultation phase, which is necessary at the moment, means accepting the political will of the other party and the budgetary authority does not consist of the Council or of Parliament alone, but of the two together. They are condemned to success. In this context, Mr Tugendhat, we will undoubtedly come into conflict with the Commission if you intend to weaken our budgetary rights, for example, by not interpreting payment appropriation and commitment appropriations in the way the Treaty provides. Nor do I understand why the Commission, of all bodies, should not fully accept or even curtail Parliament's budgetary rights, because it knows very well that the real political dynamism in the Community comes from Parliament. Curtailing Parliament's scope in having the last word mean curtailing the effectiveness of the Commission itself.

That is why, Mr Barnett, I cannot regard commitment appropriations and payment appropriations as a single entity. The Treaty only refers to payment appropriation. In this area Parliament has the last word up to the famous limit, and as regards commitment appropriations, the Council and Parliament are condemned to reaching agreement. That is the solution to a situation for which no provision is otherwise made in the Treaty.

The Community disposes today of a financial volume of which the public should really take greater notice than it has done in the past or does today. If you take payment and commitment appropriations together, we are coming up to something like DM 15 000 million. This is a sum which cannot be demanded of the tax-payer, administered and spent without the sanction of the public. The public must take greater note of this sum in the future and must use the instruments it has to ensure that this information is provided more quickly.

I obviously cannot go into all the problems with which we shall be dealing in the next few weeks; but, Mr Barnett, what we ask is full financial autonomy for the Community over the 1978 budget, the introduction of an all-embracing European unit of account for the whole of the budget and a new financial regulation which takes account of the now extended powers of the European Parliament and of the European Court of Auditors.

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

Mr Durand. — (*F*) On behalf of the Liberal and Democratic Group, I should like to say that this debate reveals one of the Community's most interesting characteristics, i.e., that as a construction, an

organization, it is in the midst of its development. This is in fact the first time that the Commission has presented Parliament with the guidelines for the budget for the subsequent financial year, to obtain its reactions and take them into account — at least, that is what we are hoping for — when drawing up the preliminary draft.

The response from our group will be frank and based on the Europeanism which guides us. Any criticisms we may make will be constructive ones, aimed at making this budget reflect more closely the European public's legitimate hopes and aspirations, which we respect.

From the point of view both of the budget and of the process of giving Parliament democratic legitimacy, 1978 must represent a turning-point for Europe, represented by the election of the European Parliament by direct universal suffrage. There is a definite link between these elections and the Communities' budgetary autonomy, a link which must be constantly kept in mind during the coming months. The increase in the budgetary powers of the European Parliament, elected by universal suffrage, must be accompanied by the implementation of new structures, bearing in mind that even the longest journey begins with the first step: we should therefore tackle the question of the proposed structures for the next financial year as soon as possible.

We must enlighten those who believe that this development will pose no problems. In particular it will be accompanied by the entry into force of the Sixth VAT Directive, which will enable the system of the Community's own resources to be finalized by applying the new real unit of account, no longer based on ten-year old par values, and by the setting up of the European Court of Auditors, responsible for supervising the management of the Community's finances and the revision of the Financial Regulation to give the European Parliament increased budgetary powers. Everything is in fact ready, but what needs confirmation is a definite willingness on the part of the Council, which has too often reopened discussions on matters which seemed settled. Bearing in mind that under the Treaty most of these matters require the Council's unanimous approval, we must take care to ensure that potential developments in the construction of Europe are not delayed.

I should like to emphasize the importance of the Sixth Directive. For the first time, European citizens will be required to pay a Community tax to Europe. This is, of course a two-edged weapon, but in any event it is an important step towards the idea of a Community Europe, which we must implant more deeply in the consciousness of our people. The Liberal and Democratic Group will therefore not allow the principle of financial autonomy to be questioned again, either by a delay in applying the Sixth Directive, or by a decision not to use the new European unit of account for the next financial year.

Durand

However, we must acknowledge that even when fully introduced, the system of the Community's own resources will be unable to meet all the Community's requirements, particularly if we intend to fulfil our commitment to draw up a budget which is not only a satisfactory financial instrument but also an effective political tool. i.e. one which reflects the needs and wishes of the European taxpayer. The budget's traditional resources are dwindling, mainly for short-term economic reasons: we are going through a period of budgetary austerity, accompanied by economic stagnation, while the Community's own resources — consisting chiefly of agricultural levies and the common customs tariff — are proving inadequate and are even dwindling at a time when new Community efforts require a larger budget.

There is a new and effective means of financing to remedy this situation: Community loans. However, we must first and foremost organize and coordinate these loans, which at present are too disparate and are sometimes used in unsuitable ways. The Liberal and Democratic Group will therefore submit to the responsible parliamentary bodies a series of proposals addressed to the Commission and Council and recommending an effective general loan policy accompanied by measures for the rationalization of existing mechanisms. Of course, these loans will not be used to finance capital projects, but will represent a real source of productive investments. It is scarcely necessary to point out that these proposals must form part of a system for budgetizing loans which gives Parliament the right of control and the final word on these financial transactions. Finally, this instrument is consistent with our policy of financial autonomy, since the Community will contract the loans independently of the Member States. The first political consequence will be to finance the large sums required by the Regional Fund. This means that account must be taken of the authority responsible for increasing the resources granted to the Regional Fund, which are to be decided in the next few days. Loans could also be used to consolidate the activities of the Social Fund and finance the measures proposed as part of the steel plan.

One final sector to which we attach particular importance is the energy sector. Too few positive initiatives have been fully carried out in this field. It is therefore a matter of urgency for the 1978 budget to provide the funds needed to implement this policy of relative independence, or, to be more precise, of a reduction in dependence, which is clearly laid down in the 1975-85 plan. There is no point in continuing throughout the year to discuss the need to reduce our dependence if we forget to provide the necessary means when we adopt the budget.

In conclusion, I shall give a few statistics. The Communities' budget has hitherto been characterized

by a number of imbalances. Firstly, the budget is nowhere near 1 % of the GNP, while the national budgets amount to 50 % of the GNP. A further imbalance lies in the excessive volume of intervention appropriations, which account for 90 % of budgetary assets. Finally, the common agricultural policy monopolizes 70 % of the total appropriations, which may be compared with 2 % for social policy, 5 % for regional policy and 3 % for development aid. This dichotomy largely derives from market imbalances and currency distortions. We therefore welcome the position recently adopted by the Commission which is aimed at reducing compensatory amounts.

The Liberal and Democratic Group feels that we should aim not at a disastrous policy based on the smallest common denominator — i.e., reducing the financial resources of the common agricultural policy — but at proportionally increasing the resources allocated to other equally important sectors, even if in the main they continue to be administered — not very effectively — by the Member States. We have the means for reviving these policies, one that I have emphasized throughout this speech, and that is Community loans.

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

Mr Nolan. — Mr President, I, like other speakers, welcome this opportunity of speaking on the financial policy of the Communities for 1978, and I think it is good that we parliamentarians should have an opportunity of discussing it prior to the introduction by the Commission of the exact preliminary budget. In effect, what we are talking about is political guidelines for next year's budget, and, as previous speakers have said and I want to repeat, money is all-important in this context, because a policy is sterile if there is no money to implement it. Equally, money is wasted if there is no policy to govern its spending. One of the problems that has been holding up the development of the Commission and the policies of the Community down through the years has been lack of finance.

The previous speaker said that 70 % of the total budget is spent on agriculture. The figure I have is 68 %, with approximately 2 % on social policy and 4.6 % on regional policy. Some people may say that spending 68 % of the total Community budget on agriculture is spending a massive amount of money, but when we really study this and realize that the total Community budget is only 0.6 % of the gross national product, then we realize that if 68 % is spent on the CAP, it is a small amount, because in some Member States and indeed if we take an average of Member States — national budgets take somewhere between 45 % and 50 % of the gross national product. I think this should bring home to us, therefore, that when we are talking about 68 % for agricul-

Nolan

ture, we are not talking about 68 % for agriculture, we are not talking of such a great amount in the context of the Community. I sincerely hope that one thing will happen, and that is that we shall have the implementation of the sixth directive on VAT, even though one Member State has certain reservations about this because of MCA's. It is not my intention to go into the implementation of VAT, except to say on behalf of my group that we hope the sixth directive will be implemented. Nor am I going to go into any great detail about MCA's because, my group has already, on several occasions, given its opinion on this particular matter.

What I would like to see, Mr President, is a general increase in the Community budget with particular reference to regional and social policies. The Community has serious problems in these sectors, and indeed so have the Member States. Since the oil crisis in 1973, we have had a recession and this still drags on. We have the ravage of inflation and unemployment. Industrial development has declined and job creation has fallen off. The income gap between the richest and the poorest regions of the Community has continued to widen. No statistics are necessary. We all know that within this Community the income gap between the rich parts of the Community and the poorer has widened considerably. These are the problems facing the Community at the present time and they are the problems we must try to solve through the 1978 budget. A continuation of the current approach will not work. We know that the Community's efforts in these areas have failed. We must ask ourselves why have they failed. The answer is simply that the Community had no power over the situation because it had no money to intervene. In such a situation, the Commission is helpless, and indeed is wasting its time in drafting proposals and policies. All it can do is propose guidelines, make reports and continue with its limited support for training programmes. A training programme is the social sphere, because it is backed up by the Community Social Fund. The Community does not have an employment policy; it does not have an anti-inflation policy; it cannot have such policies because the Community does not have the money to implement them.

Where, then, does this responsibility lie? The Member States are responsible. They have maintained the power to solve inflation and employment, and we all know how successful they have been in solving these problems! I do not want to bore you with statistics. You are familiar with them and you know that the situation is not improving. What I do want to say is that the Member States are not being honest about their responsibilities in this matter. They try to distract attention from their own ineffectualness by stating that they are Community problems and come from the Community. This is commonly known as blaming Brussels or blaming the Common Market,

and now the Common Market has been amended into the European Community, which is most misleading.

The Council of Ministers instructs the Commission to propose measures to solve the problem, yet when the Commission does its duty it is left without the budgetary resources to implement these measures effectively. I think this was mentioned by one of the Commissioners in reply to a question today.

The Irish Government has regularly been guilty of such deplorable conduct. We must state clearly where the responsibility lies — and that is with the Member State governments. They have retained the power to act individually in solving the problems of unemployment and inflation. If they want a Community solution, they must be prepared to hand over the responsibility and the money-muscle that are necessary to provide a Community solution.

In the hope that we may achieve some progress along these lines, I would like to refer in particular to the problem of unemployment, and especially unemployment amongst young people. This is a growing problem that calls for Community action. We are once again approaching the end of a school year when hundreds of thousands of school-leavers and graduates come on the market for jobs.

In my own country 60 000 young people will present themselves. That figure is more than half the official number of unemployed in Ireland. Where are they going to find jobs, when you take into consideration the fact that many young people who left school two years ago have still to find a job? It is obvious that the Irish Government have failed these people. The only hope lies with the European Community for some sign of hope for their future.

I am aware that in certain countries a reduction in working-hours has been discussed. I am aware that, because of the high income-tax in my own country, workers will not avail themselves of overtime. I am aware that my proposal on early retirement has been favourable received. All of these combined will not totally eliminate unemployment among young people, but if this Community would implement those, plus all its other policies, then at least we should be on the road to solving the problem and in particular our young people leaving educational institutions would realize that we are concerned about their future. Don't forget, in the years to come it is those people who will be speaking here in this Parliament as our replacements. Let us hope that their criticism of this, the last Parliament appointed by Member States — because the next Parliament will be directly elected — will not be adverse, but realistic, aware of the problem that we had to face when we were here — now.

Nolan

Because unemployment among young people remains at the high level of one-third of the total unemployment, we must make an extra effort. This is why I propose that the Community budget must be used to provide extra employment premiums to encourage recruitment of young people to their first jobs. This has become necessary because the Member States have not been able to solve the problem. I would like to see some proposals from the Commission on this so that action can be taken. Ultimately, it will rest with the Council of Ministers to take decisions, but I do think we must have the proposals. If the Council do not like them, let them say so and let them take the responsibility.

Mr President, I consider the helping of our youth as a major policy area that should be developed in the context of the 1978 budget. I am glad to see that the rapporteur, Mr Shaw, has included a specific reference to it in paragraph 12 of the motion for a resolution. Indeed, my group agrees with the report in general, and we intend to support it.

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

Lord Bessborough. — Mr President, we have been going continuously since 9.30 a.m., and I am very sorry to inflict on the President-in-Office of the Council and honourable friends, and even one or two noble lords — one is left, Lord Bruce — a second speech, but I shan't go into any problems of semantics or digressivity. All I would like to do is to say how grateful my group is for the statements which the President-in-Office of the Council and the Commissioner have made, and also how grateful we are to the member of our group, Mr Micheal Shaw, for his speech and for his motion for a resolution. He certainly has a considerable task ahead of him, which I am sure he will undertake with skill.

I was at first slightly doubtful about the value of this particular budget debate. It seemed to me that the budgetary procedure was long enough already, and that it might be difficult to sustain interest from May until December. However, I suppose better too early than too late, but I do sympathize with my honourable friend, Mr Shaw. The Commission document is very useful as a guide to the present state of affairs in the budgetary sphere.

In the guidelines for 1978 the Commission were quite right, in my view, not to include figures, as this must wait for the budgetary procedure proper, which commences with the Commission's presentation of the preliminary draft.

I understand that the Council discussed the document on 5 April. I understand that there were 18 Ministers

for Finance and Foreign Affairs present at that meeting, together with nine Commissioners; yet, I may say, all the public were told about that meeting was contained in a press release of three sentences. If nothing else, this present budget debate is worthwhile in order that the Parliament may be informed, as it has been, by the Council of the results of its deliberations on that day. Since this meeting was of an executive rather than a legislative character, the European Conservative Group would not necessarily expect observers to be able to attend, although personally I am normally an advocate of the closest consultation possible between Parliament and the Council in every sector and on every possible occasion.

At that meeting on 5 April, press reports indicated that at least one delegation called for a ceiling on Community expenditure in 1978. This shows, in our view, a scant regard for the budgetary procedures in the Community, and such playing to the gallery back at home — if I may put it like that — should in my group's view, be discouraged.

Although the Parliament decided not to invoke the conciliation procedure in respect of the Sixth Value Added Tax Directive, in the interests of ensuring that the own-resources system is introduced in 1978, the Council still has not approved the draft directive, owing, understand, to one delegation's not withdrawing its reservation. It is to be hoped that this reservation will be removed speedily, and the Commissioner was fairly reassuring on this point, because certainly in one Member State at least, the opportunity to introduce the necessary changes into national legislation will be lost.

The President-in-Office of the Council, Mr Barnett, left consideration of the Finance Bill in the United Kingdom to be with us here, and we are grateful to him for that — and I might interpolate here that we are all also very grateful to him for having reduced the petrol tax. I think the President will know what is meant here. I gather from the *Agence Europe* that it was in fact Denmark that maintained its reservation.

Now we are a little hesitant about the Commission's intention to increase its borrowing capacity. Any such borrowing must be genuine borrowing from the non-bank, private sector, and should go into the general Community budget, and not, in my group's view, be earmarked for specific projects. Otherwise it seems to us that the Commission would be entering into tasks far better suited to the European Investment Bank. Indeed, there is a case — I think my honourable friends will agree to this — for the European Investment Bank, with its existing expertise on the international capital market, acting as the agent of the

Lord Bessborough

Commission. I do not know what the Commissioner has to say on this, but that is our view — that it might act as the agent of the Commission in the funds.

So far, Parliament has only received comparisons between the size of the Community budget and that of national budgets. The time has now come to go beyond these simple comparisons and, as I think has been advocated by other honourable friends, to make a beginning on an item-by-item comparison of expenditure, so that we can be more sure that we are genuinely replacing national expenditures by Community expenditures, and not engaging ourselves in unnecessary duplication. Of course, such comparisons of individual expenditures are incomplete, because some expenditure takes the form of tax concessions — I am glad to say — but we should beware of national governments who berate the Community for increasing expenditure when they do the same, but disguised as tax concessions.

Briefly, the guidelines contained in paragraphs 9, 10, 11 and 12 of the motion seem to my group to be about right and are a realistic assessment of the Community's scope for action.

Finally, Mr President, I would say this: we must try to simplify our budgetary procedure and its presentation, so that the European public become aware of the dynamism the Community is capable of. With so many strands coming together — the new unit of account and the system of the Community's own resources — 1978 is indeed a turning-point.

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

Mr Mascagni. — (1) Mr President, all those of us who speak in this debate are aware that what we say will probably have little effect on matters which are already more or less settled?

I am referring to the 1978 budget. However, we Communists, like our other colleagues who have spoken, believe that it is our duty to express views which may have an effect, however minimal, on this important document before it is finalized. In this spirit, we shall begin by saying that Mr Shaw's document, in its very full exposition, shows political, economic and financial insights of great importance. We must therefore be grateful to the rapporteur, not only for his excellent work in bringing all these ideas together, but also for realistically and responsibly including various requests, proposals and comments made by us and others during the discussions in the Committee on Budgets.

The general nature of the document and, in a wider sense, the meaning of the Committee on Budgets' position are summarized in paragraph 5, which says that the preliminary draft budget, which the Commis-

sion is drawing up, should be not a mere piece of accounting, but a genuinely comprehensive budgetary policy document.

An accounting job — obviously — is the expression of a passive tendency to follow the course of events, which, as we are well aware, is dominated not so much by national interests as by the interests of the dominant economic groups. A comprehensive budgetary policy document, on the other hand, can signify the emergence and establishment of a policy which, through the necessary discussions between the various political and social forces, looks to the future, that is which recognizes objectives which are capable in practice — and gradually if necessary — of setting in motion a real process of European construction, aimed at overcoming imbalances, recognizing the common interests of workers and producers, and making progress on the social, political and cultural fronts and in the fight against unemployment, which has been mentioned here by several speakers and which is the most pressing problem in the Community's situation at present.

The idea expressed in paragraph 5 is in a sense reaffirmed and more clearly specified in paragraph 6, which says that the budget should be decided on in the light of Community needs and goals rather than be determined by considerations tenuously linked with the static and therefore passive vision of GNP, the national budgets and the price-patterns of Member States.

The budget, in other words, should be convinced and drafted not as a kind of indicator of economic events, but on the basis of real criteria for reasonable growth related to the serious problems it has to cope with. We welcome the fact that many of the comments and proposals put forward by our group in committee, through the very competent contribution of our colleague Mr Spinelli, who unfortunately is prevented by other duties from attending today, have been accepted. I would like to stress two of these proposals of ours which seem to me particularly important, since they relate to a kind of measure which, if put into practice, could bring about important results.

The first, of a general nature, concerns the improvement of the Community's own resources through a clarification of the concept of borrowing and hence an increase in the use of long-term loans guaranteed by the Community, 'thus giving', as the document says, 'added flexibility to the scope for budgetary action in the spheres of investment and development'. The Commissioner himself dwelt on this point today.

The second proposal, of a more specific nature, concerns the request to make funds available to finance the development of the advanced technology sector of European industry so as to enable it to complete successfully on a world scale.

Mascagni

I have indicated only two points which were supported by us particularly strongly. I must thank the rapporteur for seeing fit to accept them into the general framework of this resolution. As regards the many other problems which have been raised here, I will not dwell on them, so as not to waste too much of the House's time. I will not therefore go on to examine the document in detail, as it has in any case been amply explained by the rapporteur himself.

I will, however, make one final comment to close this brief speech. I wonder whether it is worth while putting forward a statement of good intentions concerning the changes to be adopted in drawing up the budget in order to make a more effective contribution to the development of Community policies. This is an extremely important question in view of the state of uncertainty in which we find ourselves. Of course we must recognize that words are only words; but, without overestimating their import, we must point out that it is only right to have a reasonable amount of confidence in guidelines which emerge as the fruit of the experience, the reflections, the debates and discussions within a body whose responsibility is to the Community.

Through this document Parliament will be able to check the resolve and the degree of commitment of the Commission and of the Council in drawing up the budget. Both the Commission and the Council today have said that they are more or less in agreement with the Committee on Budgets' view. It would be too facile to speak of agreement. My honourable colleague Lord Bruce has put forward a series of reservations: I believe that these reservations should be shared if we are to make a practical and realistic assessment.

We must, therefore, as a Parliament, without being deliberately cynical, and without calling into question what has been said here today, check whether the good intentions expressed today by the Council and the Commission are carried out and whether the clear indications of the Committee on Budgets correspond with the practical reality of the draft budgets which will be presented to us. I am not issuing a challenge. I am just saying that responsibilities will have to be accepted. And Parliament, on behalf of public opinion, has the duty to demand this from the Commission and the Council.

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, just a question of which I gave notice to the Commission and which I have asked before on various occasions.

The Commissioner refers to the touchstone for judging whether a project is best carried out with

Community money or the money of national States. I would like to ask him what is the latest Community thinking about the financing of natural disasters. I do so because, on behalf of the Committee on Budgets, Lord Bessborough and I went to Friuli. There were various purposes of this visit, and I would just say in parenthesis that I had the highest admiration for those people who were trying to do something about the disaster and particularly those who were in cold, wet camps that we saw late at night, people who had a high regard for the work of the Community.

Now it is not the work of the Community that is at issue; the issue is whether, when developing its financial priorities, the Commission now thinks that Community money is well spent in coping with natural disasters. There may be political imperatives involved, but that again is not quite the issue. The issue is whether the Commission has really thought about the question of the financing of national disasters, which will recur and recur again.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — As Mr Dalyell says, he gave notice of the question, but as I am sure he also realizes, there is not a great deal of time between the moment that he gave notice and the moment that I am standing up here. I think the best answer I can give him is that what we did at Friuli shows, I think, the attitude which the Commission should adopt. It is, I believe, very difficult indeed to put into the budget a provision for natural disasters on that scale, however they might occur. I do not know enough about the budgets of other member countries, but certainly I find it difficult to see how the United Kingdom budget, with which both of us are familiar, though not as familiar as the Chief Secretary, could possibly contain provisions of that sort. In think we can only reply by saying that the proof of the pudding is in the eating. That is not to say that one ought not to have a sense, a plan, about what one will do in the event of disasters; but I don't think that one can actually have a provision in the budget to cover it.

President. — I call Mr Shaw.

Mr Shaw, rapporteur. — I would like to say a word to those who have stayed the course. I notice some spoke and then disappeared, but there are some who have done us all the courtesy of staying with us until the end. I would like to say to Lord Bruce how nice it is to see that, in spite of his labours over the year, he has maintained his voice in full measure and is clearly no less enthusiastic than he ever was about the affairs of the budget and in particular the shortcomings of the CAP.

Shaw

Mr Dalyell has raised a very interesting point. I must confess that I myself take the view that you cannot put in a budget an amount to cover natural or unexpected disasters: this is, I believe, one of the few cases where it is absolutely legitimate to have a supplementary budget — unless there is a small fund to deal with immediate operations. In the main, however, I think it has got to be the subject of a supplementary budget, which we have shown can be pushed through Parliament very quickly indeed.

I thought Lord Bessborough made a very wise point when he underlined once again how much importance we attach to getting through the Council the various processes of VAT so that we can have our own resources in full measure for 1978. We really attach great value and importance to that matter. Our good wishes go to the negotiations that lie ahead, in the next few days, and we hope that they will be successful.

There was also talk about agriculture, and I think we shall discuss that a considerable amount during the next months. I must give notice that, for my part, we shall seek to know more not only about what we intend to spend next year as a Community but also about what we expect will be spent by the nations themselves, because if we are to give an accurate picture we must look at the combined total of resources that are spent; we must also look to see if they are all spent along the same lines and if there is not a danger that they may be working against each other. So we see that in that field, as in others, there are many things that have to be done during the months that lie ahead.

Finally, may I say to Mr Mascagni that this is indeed a composite report. I hope it is genuinely a composite report of the Budget Committee. All members of that committee had the opportunity to add their contribution to that report and many made their contribution as did Mr Spinelli, on whose behalf Mr Mascagni is speaking today. We combined the wisdom of that meeting, and I believe that, as a result, we have a worthwhile report to start the process of the 1978 budget through this House.

Finally, may I repeat my thanks to the President of the Council for coming here to take part in our deliberations. We welcome him here and we look forward to further contributions from him as long as the British presidency lasts. He — and all other members of the Council — are, of course, always welcome to attend our debates. To the Commissioner, who will be with us on many occasions in the months that lie ahead, I would say that we have made a good beginning. Thank you, Mr President.

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

The resolution is adopted.¹

¹ OJ C 113 of 6. 6. 1977.

9. Licence fees

President. — The next item is the motion for a resolution (Doc. 75/77) tabled by Mrs Walz, chairman, on behalf of the Committee on Energy and Research, on

the need for innovation and research policy measures to be taken by the Community in the near future in those areas in which Member States derive a low revenue from the granting of licences and have to pay substantial licence-fees to third countries.

I call Mrs Walz.

Mrs Walz, — *Chairman of the Committee on Energy and Research.* — (D) Mr President, ladies and gentlemen, the motion for a resolution that has been tabled by the Committee on Energy and Research and is now before you has a general and specific objective.

The general objective concerns the fact that research results are having an increasing effect on our economic life. The Member States of the Community, which at one time exported industrial products, but then went over to machines to produce these products, must in future constantly improve the quality of the goods and, above all, services they offer on the international market if they want to remain competitive and safeguard jobs. As the tertiary sector grows, so does the number of jobs it creates and will create. We must therefore continue to support research because of the industrial innovations which it produces, if we want to continue to exist. However, as the nine Member States form, or at least claim to form, an economic community, there must be an increasing measure of joint action in this field. Fortunately, there has also been growing realization in the Council in the last few years that the powers of the Community must be strengthened in the research field. As a result, certain conclusions have been drawn as regards the application of Article 135 of the EEC Treaty.

The development of our economy compels us to continue along this course, and it is in particular the field of industrial innovation for which research measures are urgently required. That is the specific objective. In this sphere, we are dependent to a great extent on the acquisition of licences on patented processes that have been developed in third countries. All the Member States of the European Community, with the laudable exception of Britain, pay more in licence fees for industrial innovation than they receive in this sector. The major surplus countries are Switzerland and the USA. But let us bear in mind that the number of American, British and Swiss Nobel Prize winners in the applied sciences is extremely high. There is a link here, and the reason may be that in those countries cooperation between university institutes and industry is very close to the benefit of all concerned.

Walz

There used to be other Member States in the Community besides Britain which made a profit on the licence business. Those Member States whose reserves of hard currencies are low are particularly hard hit by the present situation. To strengthen our economic and monetary situation we should at least *try* to regain our former position. Research, particularly in the field of industrial innovation, must receive greater support than hitherto.

I should like to give a few practical examples from these countries which make more than they pay on licences, to show you what is at stake. The research workers of a medium-sized American undertaking invented a new method of dry photocopying at the beginning of the 60s. This marked the birth of the Xerox copying machine, which we all know. At about the same time, a certain Dr Land invented in the USA a camera which also developed the film. The Polaroid system was born. Today's safety-belts, the fixing and use of which is becoming increasingly compulsory in cars, are a by-product of NASA research and produce considerable sums in licence revenues. The same applies, for example, to the coating of cooking utensils to make boiling and roasting and so on possible. We must therefore promote the same kind of research here, too. It is customary throughout the world for patents to expire after 18 years. The invention then becomes free. Consequently, new patentable supplementary processes, or even new processes, must be developed all the time so that we maintain any lead we may have gained.

The Community thus has the major, but worthwhile, task of coordinating the efforts of individual countries or suitable groups within those countries. We therefore stress the importance of these measures in paragraph 1 of the motion for a resolution. In paragraph 2, we put forward the view that Community research should be promoted above all in those areas in which substantial licence fees have to be paid to third countries with surplus revenues from the granting of licences. In paragraph 3, we go into this in greater detail and point to industrial development and innovation within this field. This is an area in which research and industrial policy tend to merge. Industrial policy is increasingly becoming innovation policy. We are thus, probably, on the threshold of what was known as the second industrial revolution when computers were first introduced.

In paragraph 4, we then draw our conclusions. The Commission is asked to put forward proposals for the promotion of research in areas where we can ourselves earn revenue from the granting of licences. Thus, while paragraph 3 refers to research in areas where we are dependent on licences from third countries, paragraph 4 is devoted to those sectors in which we can make progress in the opposite direction, in other words, export more and thus increase our own licence revenues.

As regards paragraph 5, it should be pointed out that the Council should welcome appropriate proposals from the Commission because of the economic consequences they may have. With the benefits for the economies of each and every country so obvious, I cannot imagine the Council saying no or putting things off until another day.

I should like to say a last word on Community research. We have deliberately refrained from making the distinction in the motion for a resolution between direct and indirect research. As you know, direct research is research conducted by the Community itself. In the case of indirect research, the Community contents itself with placing orders or with coordinating research activities of the States or undertakings, and a motion for a resolution such as this is in fact referring to this latter type of research. To be fair, however, we must say that our own research institutes at Ispra, Petten and Karlsruhe have developed patentable processes for the Community from which the latter derives licence revenues. The Community naturally has a mandate in these research and innovation fields. With this motion for a resolution, however, it is our intention to encourage the Commission to pursue the policy on which it has made a start. We are convinced that this policy will be even more important for our future economic life than it already is today.

If we in Europe want to maintain a standard of living that compares favourably with that of countries with developing economies, the contribution to be made by brain-power increases in importance. I would therefore ask you to approve our motion for a resolution.

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

Mr Krall. — (D) Mr President, ladies and gentlemen, on behalf of my Group I welcome the initiative taken by Mrs Walz, the chairman of the Committee on Energy and Research, and in principle agree with everything that she has said in support of this motion for a resolution. As she has said, it refers not only to the problem of balance of trade deficits but, and in particular, to the need for innovation, for without innovation we shall not be able to maintain our prosperity. Every coin has, of course, two sides, and just as Mrs Walz has given examples of welcome developments, particularly from the United States, we have plenty of negative examples to give from our Community. We all know that we are not in a position to conduct research on a national basis and develop the new technologies required.

Even national or bilateral Community projects have shown that they do not have the desired effect. I would refer here to the Community's airbus programme, to Concord and also to the development in Germany of a vertical takeoff aircraft for civilian

Krall

use, which has cost the country a tremendous amount of money in research and development. This aircraft is today a museum-piece. We were not able to establish a joint venture within the Community, which might well have been successful and then produced revenue from licence-fees through the sale of inventions abroad.

Thus, in the last few years, thousands of millions of marks or units of account have been spent to no purpose as a result of such activities, and I would warn against continuing in this way. On behalf of my group, I would therefore say that we support this motion for a resolution and not only call on the Commission to ensure that we achieve greater coordination of research in the Community, but I would go so far as to say that there should be definite cooperation, because only joint projects which are jointly financed — that is to say, with joint research, development and then production as well — will in the end produce a common industrial policy, which we urgently need, as was also very clearly said during the discussions on Mr Shaw's report. The results of today's research will assure us of tomorrow's prosperity, and those who realize this will support this motion and will in particular support the Commission in any moves it makes in this direction. You may rest assured that the Liberals will give you full support in this.

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

Mr Osborn. — Mr President, I willingly support the resolution before us prepared by Mrs Walz, but I do have reservations. If I concentrate on those, the Commission will understand why I am more than interested in an answer as to what they are going to do next. Now the first fact — and we have to thank the Commission, I believe, for these figures, but they were available to the committee and Mrs Walz has stressed this — is that whereas the United States in revenue and expenditure have a balance of revenue, and Britain has got a positive balance, other countries, particularly the Federal German Republic, Italy and most notably Japan, are in deficit. Quite obviously, as an invisible export, royalty payments licences are a valuable factor in assessing how well a country does. And therefore the United Kingdom is in a unique position.

This motion draws attention to the need for laying down a policy for innovation and research for those Member States which derive a low revenue from the granting of licences. In paragraph 2, the Community is asked to take steps in those areas in which substantial licence fees have to be paid to third countries. The suggestion that we develop research to recoup the situation might be too late. Paragraph 3 calls upon the Commission to submit proposals to the Council for the promotion and coordination of research, the right

kind of research. Yes, when it is identified! Paragraph 4 refers to the promotion and coordination of research in other areas concerned with industrial development and innovation.

Now, in this field of industrial development, management fees, special tools, special design, machinery sales all fit into the royalty payment. Mrs Walz gave some examples. Looking back at one experience after the war, there was a Kroning process of resin-bonded sands developed in Germany for the production of small bombs at the time. It was taken up by a British company which, exploited this and took out suitable patents. It wasn't until I went to the United States of America that I found that in the United States the subject of this patent was not valid because it was a wartime reparation. But having won a case against this company, as a user of this process, I found it had such good contacts all over the world and had developed such expertise that as a manager of a project I was interested in still working with a company that had developed the know-how, obtained expertise from other operating companies and was able to give it to new associates. About that time I was involved in an engineering company supplying castings for a variety of companies making pumps, valves and headers for oil refineries. The products were all identified and being machined and sold and marketed under licence to American names. It was my company's task at that time to go to the foundries and forges which produce these in the States so that we could get know-how agreements, and this meant sending people to work for weeks in American companies and United States experts coming over to Britain to acquire the know-how. There are many other examples like this outside my own experience — aircraft engines, developing engineering enterprises, and this is where I feel the licence and royalty system makes an impact. It is technological transfer and exchange based on research and development competence.

Why, with these reservations, do I support this motion? The Council of Engineering Institutions have a MacRobert Award with a £ 25 000 prize. Although they had a number of applications for it — it is for innovation in the field of engineering — that award was not made last year. Now the difficulty in Europe — and Britain has been no exception — is that good ideas, good inventions have not had the technological backup. I was talking to a visitor from the States today, and the package going around the new product is still good when it comes out of the United States of America.

Industrialists giving evidence in Britain have pointed out that new ideas need finance, backing and development. This has been referred to already. Ten years ago we called this in political circles in Britain the exploitation gap. Now industry, universities and research institutions have a difference of approach, but

Osborn

industry must be able to take an idea and over develop it. Many countries have the equivalent of the National Research and Development Corporation, which is now old in Britain, and is now paying its way. This is designed to take on new ideas, vet them and then possibly develop them, or have them developed in another company, so that suitable licensing agreements can be arranged. I think some research workers in industry regard the NRDC as unadventurous and unwilling to take risks; on the other hand it is paying its way. Out of 1 854 inventions considered, the year before last, only 157 were accepted. I think one of the troubles from their point of view has been a lack of good projects to back. It may be that people who say that could be criticized, but I think what is more important is to consider another approach: it does no harm for a firm anywhere in the world, including the Community, to take out a licence of the technology is supreme elsewhere. Nevertheless, I support this motion, having had my reservations, because the Committee on Energy and Research have concentrated their minds on a particular issue. If I say encourage firms to take out licenses — yes, it's a balance of payments deficit, or seems to be. What is essential is that if the Commission or a national government can promote technological innovation and expertise and create a complete package of expertise and know-how that can be sold in other countries, then of course this should be encouraged, and I believe royalties should be subject to tax incentives for this purpose. Therefore if the Commission can, with the expertise from CREST, industry and elsewhere, evolve a policy to improve the technological competence of our industries with scientific and technological back-up, then I support this motion which Mrs Walz has so ably put forward.

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

Mr Dalyell. — We discussed this, albeit in a rather truncated way, at our meeting last week in Bonn. The group doesn't doubt either the importance of the proposal or the good intentions behind it. On the other hand, some members of the group expressed the suspicion that perhaps it wasn't as well thought through as it might have been, and that there were difficulties involved. The particular difficulty that bothered some of my colleagues was whether the money should be paid in licence-fees — that is whether direct monetary payments should be made to third-world countries or, alternatively, there were in effect not to be money transfers but alterations in the patent law. It was pointed out that anything that involved alterations in patent law would lead to ramifications of a very considerable nature.

I don't know whether the Commissioner tonight at this hour wants to comment on this; I would just like

to lay down the marker for the future discussions we shall undoubtedly be having. As I said, no one doubts Mrs Walz's good intentions in this matter.

President. — I call Mr Broeksz.

Mr Broeksz. — *(NL)* Mr President, I should like to make a personal statement. Licences depend on patents, as we all know. There is an International Patents Bureau in Geneva. I do not clearly grasp how the matter stands. As such an office already exists to defend the interests of patentees, why should we then also ask the Community to do so? However, I do not consider that to be the most important point. The words at which I am a little alarmed are 'substantial licence-fees to third countries'. I assume that Mrs Walz is referring to industrialized countries, not to the Third World, since otherwise the matter would be come a difficult one. Licences are closely related to royalties, and in the matter of royalties a clear distinction has been made internationally between the industrialized countries and the Third World. If Mrs Walz could make it somewhat clearer that she is not referring to the Third World of poor countries but to industrialized countries outside the Community, it would be considerably easier for me to accept her text than if 'third countries' is so general that one is saying to the poor countries: Now, just you pay the full amount — if you can! I should therefore like to ask Mrs Walz to clarify this point.

I should, for that matter, like to hear the Commissioner's views on whether in fact it is possible for the Community to take over this task, since to my mind it is the responsibility of the patentees themselves. It surely cannot be the Community's job, in this capitalist world, suddenly to take over if the gentlemen concerned lack the necessary ingenuity. I should therefore be happy to hear more on this matter, since it is really not clear to me at the moment. I am not at all keen for the Community to take over the role of the patentees and ensure that their licence-fees are paid.

President. — I call Mrs Walz.

Mrs Walz. — *(D)* I am afraid there has been a complete misunderstanding here. We are not talking about patent law as such, but about support for our small- and medium-sized industries so that they can develop new patents, and this should be coordinated at European level because these industries can no longer manage by themselves. Also, the third countries are not, of course, the developing countries but the other industrial countries.

The situation used to be that we, and that includes your country, Mr Broeksz, were paid large amounts in licence-fees for our inventions, whereas today we are paying America, and that costs us millions and millions of marks, which is a burden on our balance of payments. It is not a question of individual paten-

Walz

tees but what a country has to pay for licences from America because it is no longer inventive enough itself.

So we are not talking about the Third World here at all, we are not talking about changing patent law. What we want to see is not only basic research but also applied research being promoted at Community level, the type of research that may lead to patents and thus remove some of the burden from our balance of payments. A subdivision of research, applied research, should be promoted so that we become somewhat less dependent on others, disregarding for the moment the fact that the tertiary sector is becoming increasingly important. Britain is the only country in our Community which has a positive balance as regards licence-fees, and it is completely immaterial what individuals hold the patents concerned, because we are concerned here with the economic situation. What is known as innovation policy should be promoted, with the ongoing development of processes, and as this cannot always be done by one country alone, there must be coordination and more applied research supported by the Commission so that we again develop new processes and thus obtain patents.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, the later the hour, the livelier the debate becomes here, which is at least a welcome feature. I find the suggestion good. When this Commission first took office, an innovation group was set up, and it is my task to try to get this group to develop a programme now. It is quite right to say that we should not only conduct basic research. We should attempt, where possible, to forge a link between research and industrial utilization.

I have no objections to the motion for a resolution. I should just like to refer to one aspect. It is not completely true to say that a negative balance in licence-fees represents an economic weakness. The Deutsche Bundesbank has drawn up a report which states that where capital links exist, which is frequently the case in German industry, a negative balance in licence-fees is, as it were, the price paid to maintain a high technological standard and so remain very competitive in exports. If we look at the licen-

ce-fee balances of the various countries of the European Community, all except Britain's are negative. If we look at the United States' licence-fee balance, we find a positive ratio of patent revenue to patent expenditure of 10 to 1, which is very good. But then again if we look at a country like Japan, we see that it has an extremely negative licence-fee balance, but it is nevertheless very advanced technologically, remains a very important competitor on the world market and has a strong economy.

I say this only to stress that we should not be too hasty in drawing conclusions. On the whole, however, I feel that we should look into these things. It is a good thing that this motion for a resolution has been tabled. As Mrs Walz has explained it and as I understand it, it seems to me to refer to what is possibly an important aspect of our future work.

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

The resolution is adopted.¹

10. Agenda for the next sitting

President. — The next sitting will be held tomorrow, Wednesday, 11 May 1977, at 10.00 a.m. 3.00 p.m. and possibly in the evening, with the following agenda:

- *Question Time* (continued);
- Statement by the Council and Commission on the London Summit;
- Statement by the Commission on the economic situation in the Community;
- Joint debate on two oral questions and the report by Mr Johnston on human rights;
- Radoux report on security and cooperation in Europe;
- Radoux report on Mutual and Balanced Force Reduction negotiations;
- Oral question to the Council on the Multifibre Agreement;
- Schuijt report on elections to the European Parliament.

The sitting is closed.

(The sitting was closed at 8.40 p.m.)

¹ OJ C 113 of 6. 6. 1977.

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SITTING OF WEDNESDAY, 11 MAY 1977

IN THE CHAIR: MR COLOMBO

(President)

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

President. — The sitting is open.

1. *Approval of minutes*

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

Are there any comments?

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. My comment concerns the last item on the minutes, namely today's agenda. I have to ask you why there is nothing on it concerning a statement by either the Commission or the Council on the agricultural price review settlement. We asked for this, as you know, sir, on Monday. We had expected a request from the Council to make a statement to the House concerning that settlement, or, failing the Council, then one from Commissioner Gundelach, who I understand is here. That is not included in the minutes of yesterday's sitting and I now respectfully ask why it is not there?

President. — It is up to the Commission or the Council to ask to make statements on their own initiative.

I have received no such request from these institutions, nor am I in receipt of a formal request on this subject from any parliamentary group in this House. I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I was asking on behalf of my group, why it was not included in the minutes that there had been a request from either the Council or the Commission, because that is what I would naturally expect — that they would to come to the House at the first opportunity and ask to make a statement. I was wondering if they had done this, and if they had done it, why it hadn't been included in the minutes of yesterday. But, as I understand from your answer that there has been no request, I can say that my group will be taking the necessary action to put down an urgent question for debate today, asking for time for this debate to be held tomorrow, when we have another agricultural matter to be discussed. I hope that a representative of the Council and of the Commission will be here to answer that debate, if the House gives permission to hold it.

President. — You may forward your request to the Bureau of Parliament via the proper parliamentary channels.

I call Mr Howell.

Mr Howell. — Mr President, on Monday I asked why no statement had been made by Mr Gundelach on the agricultural settlement, and I also asked why we were departing from previous practice, why no report was being made to this Parliament when on all other occasions after the price review a report had been made. I think that surely I should have an answer to this question which I thought that you took on board and were going to answer at a later stage. Could I have an answer as to why the practice is being changed, because I feel that this Parliament is entitled to a report? I think that you are missing the point in thinking that it is entirely up to the Council or the Commission to ask for permission to make a statement. Surely we have the right to request a report from either the Council or the Commission?

President. We discussed and settled this question when approving the agenda for the present part-session.

For such a statement to be made, it is necessary for the Commission or the Council to make an explicit request to do so or for a request to be submitted in due form by a group.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. This we are doing, Sir.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, I can only express my amazement at the fact that since Monday

the Conservative Group has been shadow-boxing here with the Council and the Commission. I call this shadow-boxing, Mr Scott-Hopkins, because almost every day you have fielded various speakers from your Group on either the minutes or the agenda, although it would have been quite easy, with a request for urgent procedure under Rule 14 of the Rules of Procedure, to table a two-line motion for a resolution calling on the President-in-Office of the Council and the President of the Commission to report on the results of the farm price negotiations before the end of this part-session. That would be a proposal in accordance with the rules of this House on which we can vote and which would undoubtedly have the support of a majority. I can say on behalf of my Group that we would have no grounds for objecting. That would then take the form of what we call a prepared debate. I just do not understand why you are tinkering with the minutes like this and then passing the buck to the President of this House. He cannot put down a debate here unless the proper conditions are met under the Rules of Procedure.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. Before you reply, Sir, I would, if I may, say that there is no question of the Conservative Group's shadow-boxing. We are prepared, as I have already stated, to table this motion under the urgent procedure today.

Today is Wednesday — we have been here for precisely a day-and-a-half — and it seems to me that it is the natural course of events, as has always happened in the past, that either the Council or the Commission come to this House and make a statement. It never occurred to me that they would not follow that normal procedure. As they have not done so, as neither the Commission nor the Council are prepared to come this time, breaking tradition, I have already stated this morning that it is my group's intention to table this morning a request for urgent procedure under Rule 14. This is exactly what will now happen.

President. — Let me repeat: neither the Council nor the Commission has submitted such a request to me. Consequently the President of Parliament cannot oblige anyone to make a statement against his wishes.

The Conservative Group, in the person of Mr Scott-Hopkins or Mr Howell, may submit a request in the prescribed form. When I am in receipt of this I shall consider it and submit it to you for a decision.

President

Are there any further comments ?

The minutes of proceedings are approved.

2. Agenda

President. — I call Mr Fellermaier on a point of order.

Mr Fellermaier. — (*D*) Mr President, I am sorry, but I have no alternative but to speak now, before you call Question Time, because I should like to explain a request from my Group for a change in today's agenda.

We have got items 35, 69 and 70 as a joint debate on the Oral Questions from the Christian-Democratic Group and the Socialist Group and the report from the Political Affairs Committee on the protection of human rights. We then have item 71, the report from the Political Affairs Committee on the Final Act of the Helsinki Conference and the preparatory meeting in Belgrade, and under item 72 the motion for a resolution from the Political Affairs Committee on the Mutual and Balanced Force Reduction negotiations, MBFR for short.

Mr President, these are all questions which cannot be looked at in isolation, for in the debate on human rights the President-in-Office of the Council will necessarily also have to explain how the Council proposes to incorporate into the discussions in Belgrade the European Community's views on the question of human rights. Conversely, however, there is also a connection between the Belgrade Conference and the MBFR negotiations in Vienna, since this is all bound up with détente. In order to avoid repetition and the holding of separate debates on related subjects, we feel that it would be logical to take agenda items 35, 69, 70, 71 and 72 together, since, the questions of human rights and the preparatory conference in Belgrade could then be dealt with in the joint debate in a manner appropriate to the subject, i.e. as a coherent whole centring on the question of the attention given to human rights by the nine governments of the European Community. Therefore, on behalf of my Group, I submit this request for a change in the agenda.

President. — I can now allow one speaker for and one against the motion.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I shall be speaking against the proposal from Mr Fellermaier. I am amazed that he is suddenly doing this shadow-boxing himself. This is not something which has suddenly come on to the order-paper anew. I listened to Mr Fellermaier in the enlarged Bureau — not a word, not a cheep out of him about combining these. I listened to him on Monday — not a word from the Socialist Group or Mr

Fellermaier about combining these debates. Why this sudden ray of light which has come upon him and his group, that they want to combine these things suddenly? What has happened? Is there suddenly some tremendous revelation that has come to him? I really think he is playing with the House. He, above all people, should know that to try and start changing the agenda like this is something which needs to be highly deprecated. He himself many a time has been saying this.

Over and above that, Sir, there is the point that we are beginning to combine oral questions and reports, as we did yesterday, on disparate subjects under a heading that is a wide umbrella. This is a fact which is to be deprecated. I know that we have got to try and streamline our affairs; but it is a habit which is getting dangerously all embracing, and I would suggest that, at this late stage, to make this particular change in the agenda would not be the right course of action to take.

President. — I call Mr Broeks.

Mr Broeks. — (*NL*) Mr President, as always I listened attentively to Mr Scott-Hopkins, but I had hoped that he would say something about the objections. His only objection is that this has come at the last minute and that Mr Fellermaier has suddenly as it were had a revelation. Suppose that Mr Fellermaier has suddenly had a revelation and has come up with a good idea — what is wrong with that? Why shouldn't we do as he suggests? I am glad that Mr Fellermaier has made this proposal, since it is clear that with items 71 and 72 matters are going to come up that we shall just have finished discussing, so that everything will have to be said in this House twice. Perhaps Mr Scott-Hopkins is keen that it should all be repeated three, four or even five times. We are in general not in favour of this. In my view it is of no importance that the proposal has been put at the last minute. The question is whether it is a good proposal. In my opinion it is. The only thing is that the speaking time allotted to the various groups will have to be extended somewhat. It is simply a matter of dealing together with questions that belong together. Mr President, we shall willingly leave it to you to extend the time that was originally allocated so that all groups have sufficient opportunity of speaking on all these questions.

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

The proposal is rejected. The agenda therefore remains unchanged.

3. Question Time (cont'd)

President. — The next item is the continuation of Question Time (Doc. 92/77).

President

We start with questions to the Council of the European Communities. The President-in-Office of the Council is requested to answer these and any supplementary questions.

I call Question No 24 by Mr Broeksz :

Is the Council aware that in Greece conscientious objectors to military service, for example those who object on religious grounds, are not only sentenced to terms of imprisonment which are longer than the period of military service but when they have served their sentence they are once again called up and once again sentenced to a term of imprisonment, after which the whole process is repeated? If so, does the Council think that such a law, which penalizes people repeatedly for the same offence, is compatible with human rights and the maintenance of order in a democratic state and is it prepared to make it clear to the Greek Government that Greece will not be accepted as a member of the European Community as long as this law remains in force?

Mr Tomlinson, *President-in-Office of the Council.* — This question does not fall within the Council's competence.

Mr Broeksz. — (*NL*) It is my belief that the question of human rights always falls within the Council's competence. May I ask the President-in-Office, therefore, whether he is prepared to ask the Greek Government to grant a pardon to those who have been punished under a law introduced under the colonels' régime? Some people have been in prison now for more than ten years under this law. I feel it is high time Greece adopted such democratic practices as free pardons. I have no hesitation in saying that this law must be considered inhuman in this day and age.

Mr Tomlinson. — I can only repeat what I have said, which is that the Council has no competence, but I am sure the remarks made by the honourable Member to this House will receive the attention that they no doubt merit.

Mr Laban. — (*NL*) We are currently engaged in negotiations with Greece on its accession to the European Community. One of the major criteria for this — and one to which the Council has, in principle, agreed — is that Greece must satisfy the requirements of democracy and respect human rights as laid down in the preamble to the Treaty of Rome.

May I ask the President of the Council whether this situation is consistent with the democratic rule of law and with the observance of human rights emphasized by the EEC Treaty? In Spain, where there had been a similar situation, a law has now been passed under which — as in many other countries — conscientious objectors can perform community service instead of military service.

Mr Tomlinson. — I can only repeat that I said the question does not come within the Council's compe-

tence, but I note seriously everything that the honourable Member has said. As I said in reply to the earlier question, I hope that the remarks he has made to this House receive the attention that they undoubtedly deserve.

Mr Fellermaier. — (*D*) Mr President-in-Office, as an indication of the Council's goodwill, could you agree to ask the President of the EEC/Greece Association Council to point out to the Greek Foreign Minister, at one of the Association Council's meetings, that the negotiations might be adversely affected if this matter is not settled along the lines suggested by my honourable friend?

Mr Tomlinson. — I am not in a position to report to anybody other than the Council on the deliberations, but I obviously note the interesting remarks that the honourable Member has made. I shall in fact be having some discussions with both EEC and Greek parliamentarians in the course of the next week, and I will bear seriously in mind the suggestions made by the honourable Member.

Lord Bethell. — The Community is negotiating with Greece for Greek entry into the Community, and the Council is a party to those negotiations. Can the President-in-Office explain why it is he does not feel able, speaking for the Council, to give an answer on a matter which certainly seems germane to the issue of Greece's proposed entry into the Community?

Mr Tomlinson. — At the most recent ministerial session of negotiations on 5 April, the President of the Council assured the Greek side that in the course of the accession negotiations, we would continue to treat on their intrinsic merits all the factors relating to the application. That applies to this as to all other factors and we will, of course, treat all these matters on their intrinsic merits. I have noted very seriously everything this House has said, but at the moment it is not an issue which falls within the competence of the Council.

President. — I call Question No 25 by Mr Leonardi :

What stage does the Council deem to have been reached by the individual countries of the Community in ratifying the Convention on direct elections to the European Parliament and in drafting the electoral laws? Does it consider that the date proposed — May/June 1978 — can be adhered to?

Mr Tomlinson, *President-in-Office of the Council.* — Mr President, according to the information in the Council's possession, the Member States are in the process of taking all the steps necessary for the implementation of the Council decision of 20 September 1976 and the adoption of the legislation required for holding the elections. At this stage there is no reason to suppose that the date mentioned by the honourable Member cannot be adhered to.

Mr Leonardi. — (1) I thank Mr Tomlinson for his reply, although I do not consider it completely satisfactory. The President-in-Office said that there is no reason to suppose that the proposed deadline cannot be met. However, in view of the importance of the matter, which is the subject of repeated press comment, would the Council agree to inform Parliament or the public should there ever be any reason to think that this deadline will not be met? I ask this because I feel that not only we Members of Parliament, but also the executive, should devote considerable attention to the matter and take account of public opinion.

Mr Tomlinson. — I can say to the House — and I hope everybody in the House fully understands it — that the Council of Ministers have already given the undertaking to keep the Parliament informed of progress in the ratification. That undertaking has already been given and if there is anything further that the Council can do to assist the Parliament in this direction, then I am sure we would be prepared to discuss, through the President of the Parliament, any steps that could be taken to improve that procedure.

Mr Fletcher-Cooke. — In connection with this offer of information that the President-in-Office has given, perhaps he could tell us now which of the nine member governments have not yet even published the proposed electoral law for their country.

Mr Tomlinson. — At the moment only two countries have actually prepared their electoral law, and so at the moment seven fit into the category to which the honourable gentleman is referring. Only two Member States have prepared the electoral law.

Mr Price. — Would the President-in-Office agree that it is important to make full preparation for these elections, so that when they do take place they will have the full-hearted consent and understanding of all the electorates in the various countries, and that that objective is more important than sticking rigidly to a particular arbitrary date next year which was fixed some time ago? It is more important to get this right than to stick to a particular date.

Mr Tomlinson. — I certainly agree with the first part of the honourable Member's statement, that it is important that public opinion fully understands and supports the process of direct election. I do not regard that statement as being incompatible with the target date which the Member States have set themselves for first direct elections.

President. — I call Question No 26 by Sir Geoffrey de Freitas, whose place is taken by Mr Edwards :

Will the Council reorganize its procedures and practice so as to have sessions devoted to legislation to which the public are admitted?

Mr Tomlinson, President-in-Office of the Council. — I would refer the honourable Member to the replies which the Council has already given to questions on the same subject at the January and April part-sessions this year.

Mr Edwards. — I wonder if the President-in-Office would have another look at the problem? The power in our Europe is with the Council of Ministers and it seems this is the one institution within the structure of Europe that is not publicly accountable. It is suspected that an awful lot of horse trading goes on behind the scenes and it seems to me that at least one meeting every three months could be made public, open to the press, open to the public, to show that the so-called horse-tradings are just normal compromises between government and government. I do not know how any evil consequences can possibly arise for our Europe and the nations of Europe by having at least one meeting of the Council publicly accountable and open, say once every three months. I therefore hope my good friend and colleague will have another look at this problem and perhaps give a more favourable reply at a later date.

Mr Tomlinson. — I can only repeat to this House what the late Anthony Crosland said in reply to questions here in January 'I am very well aware of the strong feeling on this matter'. I believe this question has been raised five times before at least, and I read with great attention the various answers and exchanges which have taken place after the questions had been asked. There are, I think, very genuine difficulties. Not a large part of the Council's time is in fact spent on strictly legislative matters. The majority of its time is spent on other negotiating matters or policy discussions or whatever it may be. Now can I say to this House, Mr President, that there are genuine difficulties about any change and if I can speak as a British Minister, I would remind you of the proposals which the President of the Energy Council made to his colleagues about admission to energy ministers' meetings and about which Mr Corrie put a question to me on the last occasion I was here. I said on that occasion that the British presidency would like to see this issue constructively examined. We are certainly well aware of the strength of feeling in this House but, as you will realize, any decisions in this matter are for the Council as a whole to take.

President. I call Question No 27 by Mr Hamilton, whose place is taken by Mr Brown :

What progress has been made in the last few months to coordinate policies towards African nations and in particular in relation to the practice of apartheid in South Africa; and what progress has been made in securing agreement on the cessation of all sales of military equipment to South Africa?

President

The Council has announced that this question falls within the competence of the Ministers of Foreign Affairs meeting in political cooperation.

Mr Tomlinson, *President-in-Office of the Ministers of Foreign Affairs.* — The Nine are particularly concerned to coordinate their policies on African problems. This is the subject of frequent discussions in the political cooperation machinery. The declarations on Africa issued by the Foreign Ministers of the Nine on 23 February 1976 and again recently after their meeting on 18 April demonstrate the very considerable measure of coordination which has already been achieved on policies towards Africa as a whole and towards Central and Southern Africa in particular. Our countries have repeatedly condemned all forms of apartheid including the so-called petty apartheid which is a daily insult to millions of people. All members of the Nine already embargo or put severe restrictions on the sale of arms to South Africa.

Mr Brown. — I thank the President-in-Office for that full reply, and I do hope that this whole issue will continue to be closely examined, to ensure that all Member States do, in fact, honour both the spirit and the letter of that reply. There is still a feeling that some Member States are prepared to sell arms to South Africa, and whilst he is now assuring me that the intention of member governments is that they will not do this, I do trust he will be able to assure me that this will in fact be kept under review in the future months.

Mr Tomlinson. — I can just reaffirm to this House that the Nine are unanimous in their condemnation of apartheid, which is a flagrant abuse of human rights, something about which this House is rightly and properly concerned and will be showing concern this afternoon. We condemn and reject the concept of totally separate communities for different races, and have called upon the South African Government to take the road towards a truly multiracial society. In relation to the particular question, I cannot speak for other members of the Nine on the details of their individual policies against the supply of arms to South Africa. But Britain takes its undertakings in respect of the United Nations' arms embargo very seriously indeed.

Mr Spicer. — I wonder if I could just follow that question with a supplementary relating to the treatment of refugees. Could I have an assurance from the representative of the Conference of Foreign Ministers that in no way at any time will that conference tolerate the classification of refugees in Southern Africa into first-class refugees who are afforded help and support and second-class ones that are not? If I could just explain that: refugees at the moment fleeing from Angola into Zambia are being afforded help and aid; those who flee from Angola into

Namibia, South West Africa, are not being afforded aid by the United Nations relief organization. Could you please, sir, give an undertaking that you will look into this matter and there will be no discrimination against refugees, whatever their colour and wherever they exist in the African continent?

Mr Tomlinson. — I readily give the undertaking to look into this matter whether but I would say to this House it would be a mistake for anybody, the Nine meeting in political cooperation or Members in this House, to seek in any way to use the tragic problem of refugees as some kind of political football and to separate them into first and second class citizens. It is something which would concern everybody, I think, in this House equally that that should not happen.

Mr Corrie. — Can the President-in-Office say what the trade balance is between the Community and South Africa and how seriously it would affect the Community if trade links were cut with South Africa:

Mr Tomlinson. — No sir, because I am not a walking encyclopaedia!

(Laughter)

President. — I call Question No 28 Mr Price:

Will the Council state to Parliament the reasons why their permanent representatives have not yet been able to agree on the terms of a mandate which would permit the Commission to develop the Association Treaty with Cyprus?

Mr Tomlinson, *President-in-Office of the Council.* — At its meeting on 3 May 1977, the Council gave the Commission directives to enable it to enter into negotiations with Cyprus to determine trade arrangements between the Community and Cyprus beyond 30 June 1977, when the first stage of the Association Agreement comes to an end, and to determine the substance of the economic and financial cooperation to be added to the areas covered by the Association Agreement. When it gave these negotiating directives to the Commission, the Council made it clear that care should be taken to ensure that the provisions adopted would in fact benefit the whole population of Cyprus.

Mr Price. — I thank the Council for at last giving a mandate for Cyprus. But is the President aware that the mandate was given so late that the Commission stated yesterday that it will probably be impossible to actually conclude the new agreements by 1 July? Could he say why such a short period as six months has been allowed for sherry and agricultural products and is this short period, as it were, a negotiating tactic to try and force the parties into a political agreement? Could he say whether, if a political agreement is not reached in the next six months, he can guarantee that these arrangements will be continued? Could he also

Price

assure us that the Commission be allowed to press ahead with financial cooperation benefiting both communities in the island even before a political settlement has been reached?

Mr Tomlinson. — I am sure that the House will understand if I say to them quite clearly that the details cannot be revealed in advance of the negotiations. They include proposals to deal with agricultural and industrial trade and for a financial protocol.

If I may, however, speak as a United Kingdom Minister, the Government believes that these arrangements are satisfactory in the short term. The Community intends to negotiate a broader trade agreement, to come into effect at the end of the year, and the United Kingdom has made it clear that this broader agreement must safeguard the traditional trade in agricultural commodities between the United Kingdom and Cyprus.

Mr Giraud. — (*F*) Could the Council say to what extent it can establish whether these arrangements really are in the interests of both communities?

Mr. Tomlinson. — As I said, this is part of the negotiating mandate the Council has given to the Commission. The Council obviously take the matter very seriously indeed and, as I said in my first reply, when it gave these negotiating directives to the Commission, the Council made it clear that care should be taken to ensure that the provisions adopted would in fact benefit the whole of the population of Cyprus. We are clearly aware that that is the request and the desire of Members of this Parliament.

Mr Cousté. — (*F*) I thank the Council for its announcement that the negotiating mandate was given to the Commission on 3 May. This is all very well, but what we are concerned about is that the talks should be concluded before the present Agreement expires on 30 June. I should like a reassurance that the Council will be in a position to solve any problems the Commission has during the negotiations and to provide further details on certain points in the mandate which I feel are not sufficiently clear.

Mr Tomlinson. — I am grateful to the honourable Member for his opening remarks. Obviously the Council are well aware that the present trade arrangements come to an end on 30 June and, as I said in my opening remarks, we gave the Commission its directive to enable it to enter into negotiations in order to determine trade agreements between the Community and Cyprus taking us beyond that period. We are certainly aware of the tightness of the time schedule, and note seriously the comments the honourable Member has made.

Mr Fellermaier. — (*D*) Mr President-in-Office, is the Council prepared to involve Parliament under the

Luns procedure, so that the President of the Council would report to the competent committee of the European Parliament before the broader agreement with the Republic of Cyprus is signed?

Mr Tomlinson. — I can say that that procedure is always honoured, and it is certainly the wish that it should continued to be honoured.

Mr Dalyell. — Will the President-in-Office clarify when the mandate for the broader economic agreement is likely to be given?

Mr Tomlinson. — I am sorry if I did not quite make myself clear. At our meeting on 3 May, the Council of Ministers did agree the mandate and gave the mandate to the Commission. That has already been done. It is not something for future decision; it has already been done. The problem now is that the Commission on the basis of that mandate should complete the negotiations to secure continuity after 30 June.

✓ **President.** — I call Question No 29 by Mr Cousté:

After its decision to lend \$500 million to Italy, can the Council say what its subsequent lending capacity will be, and whether it intends to authorize the Commission to float a number of loans on the international money market in the near future?

Mr Tomlinson, President-in-Office of the Council. — Under the Council regulation concerning Community loans, Regulation No 397/75, loan operations may not exceed the equivalent in European monetary units of \$3 000 million US. This sum covers both principal and interest. Of this amount, the Council has already used \$1 800 million. In March last year, it undertook two loan operations — for Italy, \$1 000 million and for Ireland, \$300 million — and it recently authorized a further operation for Italy involving \$500 million; interest amounting approximately to \$675 million must be added to these amounts.

Any further loan operation may not exceed the sum of approximately \$350 million and could be authorized by the Council only on a proposal from the Commission and on the initiative of one or more Member States. With the exception of the aforementioned operation in favour of Italy, no such initiative is at present before the Council.

Mr Cousté. — (*F*) I thank the Council for its full and detailed reply.

President. — I call Question No 30 by Mr Pisoni:

Has the President-in-Office of the Council reread the statements he made at the European Parliament's April 1977 part-session on the subject of farm prices? Does he not feel that they read more like a defence of purely national interests than a Community position?

Mr Tomlinson, President-in-Office of the Council. — In my statement of 20 April on agricultural prices, I described the Council's position and expressed the hope, which, moreover, has since been realized, that agreement would soon be reached on this issue. I also saw fit to explain the position of the United Kingdom Government to the European Parliament, and at that time I made it quite clear that I was speaking on behalf of my government, as the President-in-Office of the Council is entitled to do on such occasions.

The position reached when I spoke at the last meeting of the Parliament was that eight Member countries could accept a compromise formulated by the Commission, and the United Kingdom could not. It was natural that, in reporting to this Parliament, I should report on the United Kingdom position. This was a consequence of the state of the negotiations and not of the fact that the United Kingdom held the presidency.

I must repeat to the honourable Member what I said in my first reply to his question, that when I spoke here last time I made it quite clear during my remarks that at the time I was speaking on behalf of my government. That is a position which, quite clearly, the President-in-Office of the Council, providing he makes clear the capacity in which he is speaking, is entitled to take: past Presidents-in-Office of the Council have done so, future Presidents-in-Office of the Council will continue to do so.

Mr Pisoni. — (I) I am sorry Mr Tomlinson, but what you said here was much more of a justification of the United Kingdom position than a defence of Community interests. This was not only my impression, but that of the other Members.

May I also ask whether reiterating this position and emphasizing those aspects which may prove divisive is the right way to overcome obstacles, particularly at one of the most difficult times for the common agricultural policy? If we succeed in reducing the points of contention, we may be able to get out of the wood, but if we continue to uphold sectoral and particularistic positions, I feel this will only increase the gap and we shall certainly not reach agreement, and it is agreement we need now, not disagreement.

Lord Bruce of Donington. — Is the President-in-Office aware that many of us in this House and in Europe as well are most grateful to the presidency for having uniquely studied the interests of the consumer of Europe?

(Applause)

Is he further aware that many of us also are getting a little tired of the very powerful farming lobby in this House posturing to speak on behalf of Community interests?

(Cries of 'Hear, hear!')

Mr Tomlinson. — I obviously note the question of the honourable gentleman, much of which I would in

no way dissent from. I can say to this House that the agreement reached by the Council at its last meeting, I believe, strike a proper balance between the interest of producers and consumers, and it should be remembered in this House, as elsewhere in the Community, that one of the stated aims of the common agricultural policy is, and I quote: 'To ensure that supplies reach consumers at reasonable prices'.

Mrs Dunwoody. — Might the President-in-Office's I draw attention to the fact that if there is one thing the last price review proved, it is that the consumer is the last person to be considered? Whilst we were truly delighted with the stand taken by the United Kingdom government on behalf of all consumers, would he make some comment on the fact that there is no political will in the Community as a whole to change the agricultural policy, and that until that policy is changed, the Community will neither have a defensible stance, nor will it be seen in any way to be protecting the interests of the majority of the people of the nine countries?

Mr Tomlinson. — I obviously note what the honourable lady has said. I must say to this House that some of the comments she made hadn't exactly escaped my attention. As I said to Parliament the last time I was here — and I think this is the most important thing — I expressed optimism continuously through the debate that a settlement would be reached. That settlement was reached.

The other point I would make to the honourable lady, in reply to the particular question concerning the interests of consumers, is that I think this Parliament will approve of the fact that the President of the Council of Agricultural Ministers did meet representatives of consumer organizations, and that is perhaps something that can be usefully emulated in future.

Mr Scott-Hopkins. — Would the honourable gentleman not agree that after this exchange we have now had on this subject, it would be much better if he were to make a statement concerning the results of the price review? Did he not say that he came in April, when, unhappily, I was not present, to make a report to Parliament concerning the state of negotiations then? Would it not be more courteous for him to make a statement concerning the results of that rather controversial debate that took place here in April? Would he not agree that what we are doing now is a most unsatisfactory way of going about it?

Mr Tomlinson. — I would not accept that in any way at all. I would not accept that the Council in any way need a lecture from the honourable Member in courtesy to this House. I was here at 10 o'clock this

Tomlinson

morning and I listened for 15 or 20 minutes to the procedural discussion led by the honourable Member about why there would be no statement. If this House wants a statement, they fully know the procedures by which they should request it, and it is not a matter of courtesy to this House whether I give one or not.

(Mixed reactions)

Mr Howell. — May I ask the Minister why he is so reluctant to offer a statement to this House? Is it that he is totally ashamed of the performance of his colleague, the President of the Council of Agricultural Ministers? What did he achieve by his stand? Did he get any change in the CAP? As far as I can see, there was no change whatsoever. And the stand that he made achieved nothing except a very, very small concession in the price of butter to consumers in the UK, who are already buying butter at two-thirds of the price they were paying in 1965, relative to the national average wage. Grave damage has been done to the Community by the awkwardness of the President of the Agricultural Ministers, and surely, to try to rectify this, some statement should be made to this House on the outcome of those negotiations.

(Applause from several quarters)

Mr Tomlinson. — I in no way accept the basis on which the honourable Member postulates his hypothesis. There is no basis in it at all. If this House wants a statement on the agricultural prices, as the President pointed out at 10 o'clock this morning and in the ensuing short debate, they know the procedures by which they should ask for it.

President. — I call Mr Prescott on a point of order.

Mr Prescott. — Could the President advise this House, for the sake of those who have not been here very long, exactly what are the procedures for declaring one's interests? Members of the House of Commons, of which the last speaker is one, are advised to declare their interests when they are asking for information about matters which personally affect them. Could you give us some advice about that?

President. — Mr Prescott, I have already turned down this request several times during this part-session.

I would therefore again ask Members not to raise points during Question Time which do not relate to the questions.

I think Mr Pisoni's question has been dealt with at sufficient length.

I call Question No 31 by Mr De Clercq, whose place is taken by Mr Bourdellès:

Given the progress made in the negotiations on Greek accession to the Community, what procedures have been planned by the Council — even through an intensification of the Association Agreement — to involve the Greek authorities more effectively in discussions concerning Community activities?

Mr Tomlinson, President-in-Office of the Council. — The accession negotiations with Greece which opened last year are progressing in accordance with the timetable agreed upon at the Ministerial meeting of the Accession Conference in October 1976. At this juncture, the first stage — consisting mainly in defining both parties' positions on the most important problems to be resolved in these negotiations and at the conclusion of which Greece and the Community will have to have obtained an overall view of these problems — has not yet been concluded.

The Association Agreement contains provisions on information and consultation, notably in the agricultural policy and commercial policy sectors, which obviously remain in force. Furthermore, at the Ministerial meeting of the Accession Conference to which I have referred, the Community delegation, following a request by Mr Papaligouras, indicated that it was willing to inform the Greek delegation of developments in the Community, on a regular basis, in order to enable it to take any measures required to adapt Greek legislation to these developments, on the understanding that the Greek delegation would remain free to put forward observations and the Community would be free to decide on its own development as long as the Greek accession had not come into force.

Mr Bourdellès. — *(F)* I thank the Council for this very full reply, which I shall pass on to Mr De Clercq.

Mr Cifarelli. — *(I)* Mr President, since this problem of Greece's accession to the Community is the most pressing, can the Council assure us that it will be dealt with independently of the other two problems — the accession of Portugal, which has already been requested under Article 237, and the possible accession of Spain?

Does the Council not feel that the past years in which relations between Greece and the Community were based on the Association Agreement are more than sufficient to qualify Greece for full entry into the Community?

Mr Tomlinson. — I do agree with the basic question of the honourable Member; the Greek application will be taken separately, and, as I said to a reply to an earlier question, will be dealt with on its own intrinsic merits.

Mr Broeks. — *(NL)* Is it not so that the negotiations with Greece also cover the rights and liberties of Greeks, and if so, why did the President-in-Office state in reply to the first question in this Question Time that this matter was out of order, or at least that it did not concern the Council? I would have thought that the first point on the agenda for these negotiations was whether freedom and democracy had or had not been reestablished in Greece.

Mr Tomlinson. — I have no problem at all in saying that there is no overlap or inconsistency between the two answers I gave in reply to the first question. It is quite clear that that matter does not come within the competence of the Council. In reply to the question I have just given, what I have done is to explain the framework within which there is an exchange of information, so that each party can take into account the views of the other in coming to their own decisions—decisions which each of them is autonomously free to make.

President. — I call Question No 32 by Mr Normanton :

Will the Presidency convene a Council meeting of Ministers for Small and Medium-Sized Enterprises ?

Mr Tomlinson, *President-in-Office of the Council.* — At present the Council does not have before it any specific Commission proposal which would justify convening a Council meeting of ministers who are responsible for dealing with the affairs of small and medium sized enterprises.

Mr Normanton. — I thank the representative of the Council for his reply, but is he aware that this House has recently become increasingly conscious of the growing difficulties which are facing medium and small enterprises in general, and is the Council also aware that this House feels that when Councils of industry and trade ministers meet, the problems of small firms are, perhaps inevitably, submerged in the mass of other items on the agenda ? I would therefore repeat to the representatives of the Council the request that the Council should respond to this and reflect the deep concern of this House by bringing together those ministers from Member States who have particular responsibility for medium and small undertakings for consideration of their problems, as opposed to the broader issues.

Mr Tomlinson. — I obviously am aware of the deliberations of this House. I follow them all with clear and careful attention. The resolution of this House of 11 May 1976 invited the Commission to pay special attention to small and medium-sized enterprises in its programme on industrial policy, and to investigate the position of these small and medium-sized enterprises and report to Parliament. Obviously, action on that side of the resolution is a matter for the Commission itself.

As far as the part of the resolution directed to the Council is concerned, it invited the Council to take decisions as soon as possible on the proposals put forward by the Commission and of course they were totally unspecified in the resolution because they did not know what the proposals were at that stage. Since then, the Council has confirmed the report of the Commission recommending continuation of the

services provided by the Business Cooperation Centre, which was the only proposal of specific interest to small and medium-sized enterprises for the Council to consider. But as I said in reply to the first question, there can be no reason at the moment which would justify convening a Council of Ministers to look into this particular problem.

Lord Bruce of Donington. — May I ask the President-in-Office to take another look at this whole matter ? It is quite clear from the sixth report on competition recently issued by the Commission that, during the last 10 years, there has been a growing concentration of industrial and commercial power and that the activities of small and medium-sized businesses are progressively being constricted by private corporate power, whether this private corporate power is multinational or otherwise. Will he bear in mind that what is now required is not the extension of information or consultative services in regard to small and medium-term enterprises ? What is required — and is required pretty soon — is a stark political decision by both Commission and Council to take far greater and more decisive steps to see that private corporate power does not encroach more than it has done so far on the prerogatives of small and medium-sized businesses.

Mr Tomlinson. — I obviously take seriously everything that the honourable Member has said, but the specific question that was addressed to the Council was whether we would convene a Council meeting of ministers for small and medium-size enterprises. The Council cannot justify convening such a council, because at the moment we are waiting for proposals from the Commission and I think it would be unreasonable to expect detailed proposals from the Commission on a motion that was passed by this House only on May 11. We will consider the proposals when they come forward and take such steps as are necessary in the light of them.

Mrs Kellett-Bowman. — When the Council does meet, would the President-in-Office draw to its attention the fact that small and medium-sized companies are finding it extremely difficult to get hold of cash for expansion, and will he therefore urge the Council to support the proposal put forward by the Committee on Regional Policy that part of Regional Fund money should be used to guarantee the exchange risk and reduce the interest rate for small companies borrowing from the European Investment Bank ?

Mr Tomlinson. — I obviously take note of the last part of the honourable lady's suggestion. I might say to her though that in relation to the availability of investment funds in the market, there are perhaps great divergences in money markets inside the Community, but at the moment in the money market with which I have been most familiar, the United Kingdom, there is no shortage of available investment

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funds. The major problem is a shortage of demand for those funds.

Mr Hoffmann. — (D) Is the Council aware that an increasing number of small and medium-sized enterprises have been going out of business over the past two years? Is it also aware that this is most probably due to systematic discrimination under our economic system, and does it not therefore feel that this meeting should be held as soon as possible?

Mr Tomlinson. — On a problem as complicated as the reasons, both economic and otherwise, for the decline in the number of small companies I would be reluctant to try to give an answer to this House in two minutes. This problem has defied the collective economic wisdom of the Western world for a number of years.

Mr Veronesi. — (I) Does the President-in-Office not think it would be not only useful, but even necessary, to have the independent organization for small European business made an official spokesman vis-à-vis the Community?

Up till now, the major industrial organisations have been the official representatives of the small businesses. However, there is a healthy network of small independent businesses organized at European level which asks to be regarded as the official spokesman on problems of small and medium-sized businesses.

Mr Tomlinson. — Mr President, I note the problem the honourable Member has stated to the House. If I could just perhaps slightly elaborate my answer, I would say that one of the problems is that there is no Community policy on small and medium-sized enterprises, nor does the Commission seem likely to propose one, at least in the foreseeable future. The main problem in this area is the essentially localized nature of the treatment, problems and needs of small and medium-sized enterprises in Member States. If I may just briefly speak as the United Kingdom Minister, we have had extreme difficulties ourselves. In 1971 the report of the Bolton Commission on small firms was received by the government, and despite the close attention of successive governments in the United Kingdom, the only thing that we have really been able to do is to ensure that government makes a conscious effort not to take decisions which have an inadvertent effect on small and medium-sized enterprises. I note the seriousness with which all Members of the House have spoken about this, but I think in relation to the question from which we have veered somewhat, it is not at the moment appropriate to consider convening a Council of Ministers to look particularly at this problem.

Mr Noè. — (I) Does the President-in-Office not feel that when the time comes more attention should also be given to the problems of craftsmen in this connec-

tion than has hitherto been devoted to them by the Council of Ministers? This would also take account of an opinion passed unanimously by Parliament on this matter some time ago after a question put by Mr Cousté.

Mr Tomlinson. — Again without in any way wishing to detract from the seriousness of the problem, this is not something — however serious — that at the moment it would be appropriate for the Council of Ministers to consider. For us to convene a meeting of the Council of Ministers to discuss something on which there is a very difficult, complex, localized problem, and on which we have not got Commission proposals — and I recognize the difficulty the Commission will have in formulating proposals — would, I think, be a mutual waste of time and might create expectations that could not be fulfilled.

President. — Question No 33 by Sir Brandon Rhys Williams :

What discussions were held at the Downing Street Conference of proposals to bring greater stability to the foreign exchange markets; and what agreement was reached to introduce greater freedom of movement of capital for investment?

is withdrawn, as it will be the subject of a subsequent statement by the Council.

I call Question No 34 by Mr Seefeld, whose place is taken by Mr Hoffman :

Will the Council take appropriate measures to harmonize value added tax systems before the start of the tourist season, so that a citizen of a Member State who has his vehicle repaired in another Member State does not have to pay value added tax both in the foreign country and in his own country?

Mr Tomlinson, President-in-Office of the Council. — Mr President, the problem posed by the honourable Member will be covered by the provisions of the Sixth VAT Directive. Article 14 (1) (f) of this Directive exempts, and I quote :

the re-importation of moveable, tangible property by the person who exported it or by another person on his account, where that property has, while in another Member State, undergone work which has been taxed without the right to deduction or refund.

Community fiscal rules defining the scope and procedures for implementing the exemptions provided for under the Article 14 exemption on importation will, however, have to be drawn up. The Council will not fail to discuss these rules as soon as the Commission has submitted the relevant proposals.

President. — I call Question No 35 by Mr Hougardy; whose place is taken by Mr Guldberg :

Can the Council indicate what implications the recent statement by President Carter, announcing measures to prohibit the use of plutonium, is likely to have for the future of the 'Phénix' programme, and more particularly

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the 'Superphénix', which is due to become operational in 1981/82?

Mr Tomlinson, *President-in-Office of the Council.*

— The Council does not at present have sufficient information to enable it to assess the implications which the measures to restrict the use of plutonium announced in President Carter's recent statement might have for the future of the Phoenix and Super-Phoenix programmes.

President. — I call Question No 36 by Mr Dalyell:

Will the Council make a statement on the latest position regarding the supply of nuclear materials to the Member States?

Mr Tomlinson, *President-in-Office of the Council.*

— The Council has no statistics enabling it to give the honourable Member a review of the current situation regarding the supply of nuclear material to Member States. However, the honourable Member could, at a meeting of the relevant parliamentary committee for example, approach the Commission of the Communities, which will no doubt be able to provide him with the information requested through the Euratom supply agency.

Mr Dalyell. — What we want to know is where the buck stops for the Plumbat affair. Is it with the present Commission, is with Commissioner Haferkamp in a previous incarnation, is it with the Council of Ministers, or is it with national governments? Because 200 tons of uranium doesn't vanish off the face of the earth by alchemy. Someone somewhere is responsible. Who?

Mr Tomlinson. — I didn't have the opportunity of hearing anything other than the very final few sentences of the extensive debate you had on this matter in the House yesterday. I really have got nothing to add to the reply which was given here by the Commission yesterday.

Mr Ellis. — Can the Council say whether difficulties of any kind remain with any individual uranium-supplying countries in respect of adequate inspection machinery under the non-proliferation treaty and its safeguards agreement, and if this is so, whether the Council would agree that the most satisfactory way of resolving such difficulties would be on a Community basis, making use of the Euratom inspection machinery in conjunction with the Vienna Agency, and applying this to all nine Member States, whether they possess nuclear explosive capability or not?

Mr Tomlinson. — I note the suggestion made by the honourable Member in relation to Euratom. In relation to the particular question that he asks, I have to say to him, in all humility, that I just don't know the answer. I would require notice to find out. But I

will in fact try to communicate with the honourable Member in some other form about the particular detailed question he asked first.

Mr Prescott. — Whilst appreciating the difficulty the Minister has in giving adequate answers to a debate we had yesterday about missing ore, can he give us the assurance that, firstly, he will look at the problem of whether it was in the Council that the decision was made that this House would not be informed that the ore had gone missing, and, secondly, would he also consider perhaps cooperating with a committee of this House in order that it may investigate what the true facts of this situation are?

Mr Tomlinson. — If I could just start with the last point first, I think the question of a committee of the House is really a matter for the House itself, and one on which it would be improper for me to pass any observations. Whatever decision the House itself takes, the Council, as always, will only be too willing to cooperate with the House in matters which are within the competence of the Council. Concerning the debate yesterday, I didn't have the opportunity to listen to it all, but I will give the honourable Member and this House the undertaking that I will take an early opportunity of looking at all the issues raised, but I have serious doubts as to whether those issues in any way come within the competence of the Council of Ministers. But I give the undertaking, certainly, to look at it.

Lord Bessborough. — Could the Council say what the present position is in regard to the supply of uranium resources from Canada? In the previous question, the situation with regard to the United States was raised, but I would be particularly interested to know about the situation in regard to Canada, in view of the framework agreement between that country and the European Community.

Mr Tomlinson. — Negotiations continue between the Commission and the Canadian authorities on a safeguard agreement which would permit the resumption of Canadian uranium shipments to Euratom Member States. A number of detailed problems remain to be resolved, but we attach great importance to the speedy conclusion of these negotiations.

Mr Scott-Hopkins. — Would you not agree yourself, Sir, that it is strange that this question has been maintained on the order paper, as we had a debate on it yesterday, and it should have been preempted as we agreed originally? But in view of the fact that the question is there, will the Minister give an undertaking that, as far as the future is concerned, he will consult with this House as soon as the Council have come to some conclusions, having examined the debate we had yesterday? I am concerned not so much with what has happened in the past as with

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what the Council are doing to make certain that a similar occurrence cannot happen in the future.

Mr Tomlinson. — One of the things that in the whole of my political life I have tried to resist is to sit looking into a crystal ball trying to anticipate the trends of the future. Obviously, the Council will enter into the fullest cooperation and consultation with Parliament on the issues on which it is to our mutual benefit to engage in dialogue. But I would not give any clear undertaking about any particular set of circumstances in the future, as I don't know how particular they are going to be.

Mr Noè. (I) — Does the President-in-Office not think that, in the Community's discussions with the uranium-supplying countries, the proposal to have a joint venture between the Community and these countries for the purpose of enriching the uranium on the spot might make it easier to achieve some results, since the value added by the enrichment would make it easier to dispose of the product?

Mr Tomlinson. — While I obviously note the interesting remarks of the honourable Member, can I just say to him with the greatest of goodwill that, first of all, this does not really arise from the question, and secondly that it is a question which is really the principal responsibility of the Commission, rather than the Council, at this stage.

Mr Evans. — Could I say that I very much appreciate my honourable friend's statement that the Council will cooperate in the fullest possible way with this Parliament on any investigating committee that they may decide to set up. Could he tell the House whether or not that means that ministers will come and give evidence before that committee?

Mr Tomlinson. — I am not in a position to give any undertaking on that at the moment. As I said, on matters that are within our competence, we will be happy to cooperate, as always, with the Parliament in the closest possible way.

President. — I call Question No 37 by Mrs Kruchow:

In connection with the oil disaster at the Bravo platform in the Norwegian Ekofisk field in the North Sea, experts have stated that safety measures at oil rigs in the North Sea are inadequate. Does the Council share this view and will it if necessary call on the Commission to draw up a proposal for a directive on safety measures at oil rigs in Community waters?

Mr Tomlinson, President-in-Office of the Council. — I will try to assist you in that objective. The European Parliament heard the Commission's statement on the Ekofisk oil disaster yesterday. The Council cannot adopt a position unless and until it receives such proposals as the Commission may submit to it.

Mrs Kruchow. — (DK) I am grateful for the answer but I must say I find it rather brief.

It was an excellent statement we heard yesterday, but the Commission's competence and the Council's competence are not the same. I should very much like the Council to state clearly whether, at its meeting in June, it intends to take a serious look at my proposal regarding safety measures. This is a matter of great importance. It is not sufficient for the Commission to give an assurance that it will draw up proposals and do what it can to have these brought up at the Council meeting.

I should also like to ask whether steps will also be taken to ensure that all aspects of job safety, job inspection and environmental protection which are covered by legislation in the various Member States will be brought within the Council's competence, so that there is no passing of the buck if anything like this happens again. There is no point in having a number of major laws on this field in the individual countries if, when an accident like this happens, there is someone who can disclaim all responsibility. I should like a clear statement whether the Council really will go into these questions thoroughly at its June meeting with a view to achieving positive results as soon as possible. This time it was the North Sea, next time it could be the Mediterranean and later the Atlantic. The EEC waters are extensive, and we cannot disclaim all responsibility for them.

Mr Tomlinson. — I can give this House a very clear and a very short answer. No. I cannot give the honourable Member the assurance that she is looking for. The Council, as this House well knows, can only act in this matter on proposals from the Commission, and we cannot take the initiative in June in considering proposals made by the honourable Lady in her speech, however important these proposals may be. We must wait for proposals from the Commission, and then the Council will give those proposals consideration with all the urgency that they will no doubt merit.

Mr Howell. — I find the complacency shown by the President-in-Office of the Council most disturbing. He must realize that a great many people's livelihoods are at stake in the holiday industry and the in-shore fishing industry. Can he not stress to the Commission the need for urgency in this matter? Can he not exert more pressure than he seems to indicate he intends to do on seeing that action is taken by the Commission?

Mr Tomlinson. — I really must say as strongly as I can to the honourable Member that he must not in any way mistake respect for the Treaties of the Communities — Treaties for which I understand this House has great respect, as do the Council — he must not mistake respect for the Treaties as complacency. Otherwise it might lead him to make some statements which, when he looks at them in the cool light of day, he might well regret having made.

Mr Dalyell. — If I go back to my constituents on the borders of the North Sea the next time there is any kind of an accident in the North Sea and explain that nothing can be done because of respect for the Treaties or protocol problems between Council and Commission — and the feeling has been underlined by the Red Adair team that insufficient preparations had been made — if that happens a second time there will be a number of consequences, one of which is that people like me will simply not be forgiven. We will not be returned to Parliament — that may be the least of the considerations — but I must say that we will go on and on nagging Ministers and Commissioners until it is clear that the objections that have been made by Red Adair and others have been met and in particular something is done about the proposal yesterday that there should be some kind of Europe-based capacity to deal with another blow-out, which in one form or another is almost inevitable. For heaven's sake do something about this!

(Applause)

Mr Tomlinson. — The urgency of the situation was fully expressed by this House yesterday. The Commission has taken most serious note, I have no doubt whatsoever, of what was said during the debate. But whatever the situation is — and I fully understand the feelings of people with constituencies close to the North Sea and people close to Norway and people in other places where a similar catastrophe could happen — it in no way alters the fact that the Council are not at the moment in a position to consider it until they receive Commission proposals. The Commission are fully seized of the urgency and the seriousness with which vast numbers of people throughout Europe regard this. As soon as the Commission proposals are received by the Council, they will be debated and deliberated and acted upon with the urgency that no doubt those proposals will merit. But let us not also forget that in the meanwhile there is also a responsibility in relation to many of these matters inside nation states themselves, and we should not regard activity in the Community as being the only framework in which something can happen.

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — *(I)* I would remind Members that part of yesterday's debate on energy problems was devoted to the Bravo accident, and the Commission announced that it would be submitting proposals for consideration by the Council of Ministers at its meeting on 15 June.

Mr Cifarelli. — *(I)* Mr Natali has just anticipated part of my question. Without specifically criticizing the Council, I would point out that, while the Council undoubtedly needs the Commission's assistance from the point of view of preparing legislation, it can quite

well look into a problem without having to hide behind the Commission.

Having said that, my question is as follows: does the Council think that, on 15 June, it should study a full investigation into the accident, indicating where responsibility lies, as has been discussed at length in the international press?

Mr Tomlinson. — I can only say to this House, as I have already said that, urgent as the matter is, the Council will give it the serious consideration, attention and, if need be, action as and when they have the earliest opportunity of looking at Commission proposals. Having listened to Commissioner Natali reply to the debate yesterday, I was fully convinced that the Commission understands the sense of urgency that everybody shares on this matter — the Council no less than anyone in this House — and we will look at the situation with the urgency it merits when Commission proposals are received.

Lord Bessborough. — Would not the Council agree — and also the Commission, since I understand they are also answering this question — that it might be appropriate for the two Commissioners concerned, and perhaps a small delegation from the Committee on Energy and Research of the Parliament, to go into the matter jointly together and maybe even make a visit to Stavanger and look at the rigs concerned?

Mr Tomlinson. — I would not like to get into the role of being the arbiter between the Committee on Energy and Research of the Parliament and the Commission itself. That is something which I think you have to resolve directly between yourselves.

President. — We turn now to the continuation of questions to the Commission.

Since the author is absent, Question No 16 by Mr Früh will be answered in writing.

I call Question No 17 by Mr De Clerq, whose place is taken by Mr Bourdellès:

Given the progress made in the negotiations on Greek accession to the Community, what procedures have been proposed by the Commission — even through an intensification of the Association Agreement — to involve the Greek authorities more effectively in discussions concerning Community activities?

Mr Natali, Vice-President of the Commission. — *(I)* It is the Commission's firm belief that there must continue to be intensive contacts and an exchange of information between Greece and the Community until Greece's accession, but there is no need for special procedure to achieve this.

Consultations are currently taking place on a number of matters under the Association Agreement, while the accession negotiations represent another point of contact. A limiting factor — on which I must insist — is that Greece cannot be allowed to have any

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power of veto on any aspect of Community activity during this transitional period.

Mr Bourdellès. — (*F*) I thank the Commission for its reply, which I shall pass on to Mr De Clerq, chairman of the committee.

✓ **President.** — I call Question No 18 by Mr Brown :

What action is the Commission taking to encourage research into and development of a new generation of safe foam which will eliminate the high burning rate, intense heat and production of dense toxic smoke, characteristic of the present generation of foam, thereby safeguarding the consumers of furniture, soft toys and other goods in which such material is used ?

Mr Natali, Vice-President of the Commission. — (*I*) The Commission has not yet taken any steps to promote research and development for materials of the type indicated by the honourable Member.

Nevertheless, the Commission is currently preparing various measures such as, in particular, a draft directive on the safety of toys and which takes account of standards for the flammability and toxicity of materials, including plastics used in the manufacture of toys, and a draft directive on the harmonization of Member States' legislation on plastic materials and objects intended to come into contact with foodstuffs. Subsequently, this latter will be based on a list of authorized substances.

Mr Brown. — May I say to the Commissioner that I think he has not quite taken the point of my question. This material is an extremely dangerous one. It is finding its way into the homes of all of our citizens in the Community. In fact my own government has now come forward with a safe foam which is currently being tested and it will be nonsense if, in fact one Member State is able to legislate for the use of safe polyurethane foam whilst commodities containing unsafe foam are coming into that country from other countries. I do hope the Commissioner will look at this again, because there are many lives being lost throughout the Community due to this polurethane foam. It has an extraordinarily dangerous burning rate, it has toxic fumes, it is causing death and disaster, and therefore I hope that the Commission will begin to investigate the problems involved in the use of the present generation of foam in order that we can harmonize and obtain a safe foam to ensure the safety of the people in our countries.

Mr Natali. — (*I*) I assure the honourable Member that his comments will be given due consideration by the Commission.

President. — Since the authors are absent, Questions Nos 19 and 20 by Sir Brandon Rhys Williams and Mr Seefeld respectively will be answered in writing.

I call Question No 21 by Mr Evans :

Can the Commission indicate what measures it intends to take to protect Commission staff from exposure to

asbestos fibres which will be released as a result of work to be undertaken on the air conditioning system in the Berlaymont Building in mid-May ?

Mr Tugendhat, member of the Commission. — The Commission is aware of the dangers to which the question refers and has taken appropriate safety measures. The work on asbestos components will be done after office hours and during the night. All work will be done during the continuous expiration of air using engines of the vacuum-cleaner type. The work areas will be isolated by plastic foils. From the start of the operations, the air in the areas concerned will be continuously checked by a specialized firm and the air samples tested for asbestos particles.

Mr Evans. — I am extremely grateful to the Commissioner for that very full and very complete answer. I wonder if he could inform the House as to whether these essential precautions that he has outlined were decided upon before or after I tabled this question ? Will he also make it clear to the House that not only will the Commission staff be protected — it is essential that they are protected — but also that the workmen doing the work are fully protected during the working procedures ?

Mr Tugenhat. — I confirm to the honourable Member that the decision was taken before the tabling of the question and entirely agree that every possible safeguard must be made available to the workers who are undertaking this task.

President. — Question No 22 by Mr Normanton has been withdrawn.

I call Mr Normanton on a point of order.

Mr Normanton. — Is it in fact correct that my question has been withdrawn ?

I understand there has been reconsideration of the point under the Rules of Procedure and I have been informed just a few moments ago that the item still remains on the agenda. I seek your guidance.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Really, Mr President, you cannot do that. You understandably allowed Question No 36 by Mr Dalyell, you allowed Question No 37 by Mrs Kruchow, which were on the two issues we debated yesterday. If those two particular questions were allowed to be answered now — and I am not objecting to the fact that they were — my honourable friend's Question No 22 should be allowed too. They all concern the same issue and they were all raised in the same debate.

President. — Mr Scott-Hopkins, you will remember that we discussed this matter on Monday when we

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drew up the agenda and when urgent procedure was requested for Mr Fellermaier's Oral Question with debate. At the time it was stated clearly that if Mr Fellermaier's question was placed on the agenda along with the other energy problems, Mr Normanton's question would be withdrawn, and the matter was settled by the House.

Mr Scott-Hopkins. — Mr President, I am not objecting to that, but what has in point of fact happened is that you have also allowed two other questions to be debated which ought to have fallen too. I know that they were to the Council but that makes no difference in my view. Those particular questions were preempted. You allow them, you allow my honourable friend's. Let's have fair treatment all the way round, not one rule for one and one rule for t'other. Come, come!

Mr President. — Mr Scott-Hopkins, the problem is as follows — and I should like this to be clear, otherwise it may look as if there has been some bending of the Rules of Procedure.

Mr Dalyell's and Mrs Kruchow's questions on the same matter were taken because they were put to the Council, whereas Mr Fellermaier's and Mr Normanton's questions were to the Commission. This is why they are being treated differently. However, I agree with you that we must in future find some way of coordinating things when questions on the same subject are put to the Council or the Commission.

I call Mr Osborn.

Mr Osborn. — Mr President, what has now happened to my question, which was printed separately? Do I take it that that has had the same fate as Mr Normanton's? Had we not made such good time, would that have been reached or would it not have been reached?

President. — I do not have your question in front of me, so I cannot reply at the moment.

I call Mr Normanton.

Mr Normanton. — Mr President, can you give your guidance for the benefit of myself and the House in general, because here in my question was a specific question to the Commission on whether there had been further losses, and that was not answered by the Commission. In view of that, is it really appropriate to withdraw this question?

President. — Mr Normanton, I think that in this case you will have to reintroduce your question more specifically in another part-session, since when we drew up the agenda at the Monday sitting, we decided by a vote of the House that your question would be withdrawn.

I call Mr Dalyell.

Mr Dalyell. — Mr President, could I ask you to consider and reflect on what you are doing? This is the first time since the British Labour delegation came to this House that there has been any refusal of such a question, and I strongly support Mr Scott-Hopkins and Mr Normanton in their plea.

Further, Mr President, would you reflect on this: perhaps this is the most sensitive and important subject that we shall be discussing for a very long time, where the direct responsibility of the Commission is involved. If you are seen as acquiescing in, or conniving at, what looks like a fix — I repeat, what looks like a fix — to protect the executive, with Commissioner Haferkamp sitting in your presence on that front bench, how will this Parliament look? I appeal to you to allow this question for the good name of the European Parliament.

President. — Mr Dalyell, I shall disregard the second half of your remarks and refer only to the procedural question, since that is all that is involved here. It is my duty to see that the Rules of Procedure are observed, and I quote paragraph two of the Guidelines for the conduct of Question Time under Rule 47A: 'Questions shall not be accepted for Question Time at any part-session if the agenda already provides for the subject to be discussed with the participation of the institution concerned'.

The House discussed this problem on Monday and decided that the subject of Mr Normanton's question was already on the agenda, so that once urgent procedure was decided upon for Mr Fellermaier's question, Mr Normanton's question would be withdrawn.

This is what was decided on Monday by vote of Parliament, not by decision of the President, and I must therefore respect this vote.

Mr Dalyell. — Further to that point of order, Mr President, some of us find it extraordinary that procedural rules should be invoked on this particular point because it might look to be inconvenient. If procedural rules are going to be invoked, let's start by invoking them on less inconvenient issues.

President. — Mr Dalyell, I cannot allow you to make insinuations of this kind, since the President can in no way be suspected of acting for reasons of convenience. I would therefore ask you to reconsider what you have just said. I am here to apply the Rules of Procedure, not to accept arguments of convenience which have nothing to do with my duties.

(Applause)

I call Mr Prescott.

Mr Prescott. — Only to put on record, Mr President, that I support your interpretation of the matter. As one of those who took part in that debate, I think it needs to be said. Clearly it was a difficult situation for the Chair, but there is no doubt that the decision was

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taken by this Chamber, even though we were not satisfied with the situation as it was. Indeed, the chairman of the Committee on the Rules of Procedure and Petitions, speaking yesterday, agreed that it was not satisfactory and that we should take steps to look at it. Therefore I just want to confirm that I think your interpretation is the correct one and I fully support it, Mr President.

President.— Thank you.

Mr Normanton, if you wish, you may reintroduce your question at another part-session in accordance with the Rules of Procedure.

The time allowed for Question Time has expired.

Question No 23 by Mr Cifarelli will be carried over to the next part-session. Question Time is closed. I thank the representatives of the Council and the Commission for their replies.

4. *London Summit*

President. — The next item on the agenda is the statements from the Council and the Commission on the London summit.

I call Mr Tomlinson.

Mr Tomlinson, *President-in-Office of the Council.*
— Mr President, may I begin by saying how sorry Dr Owen is that he cannot be present here himself this morning, as he would like to have been, but I am sure the House will understand that he is very heavily engaged this morning in the NATO ministerial meeting which is taking place in London.

Mr President, at the invitation of the British Prime Minister, the presidents of France and the United States, the prime ministers of Canada, Italy and Japan and the Chancellor of the Federal Republic, with finance and foreign ministers, met at No 10 Downing Street, on 7 and 8 May 1977. On 8 May, they were joined in discussions of those matters of particular concern to the European Community by the President of the European Commission, in accordance with the decision of the European Council of 25-26 March 1977.

The purpose of the meeting was to consult, to exchange experiences and ideas, and to harmonize as far as possible the participants' responses to shared problems. The discussion had the purpose of agreeing a common analysis and so a common approach.

At the conclusion of the meeting a declaration, together with a more detailed appendix, was issued. I have arranged, Mr President, for these to be made available to the Parliament Secretariat. The declaration highlights seven target areas where the participants

pledge themselves to action. Perhaps I might summarize these.

First, it was agreed that the most urgent task was to create more jobs while continuing to reduce inflation. Special measures for young people were needed.

Secondly, the participants committed themselves to maintain their targets for economic growth or for the stabilization policies which, taken together, should provide a basis for sustained non-inflationary growth. If countries concerned seem likely to fall short, they will adopt further policies to achieve their targets.

Thirdly, it was agreed to seek more resources for the International Monetary Fund, and to support the link between its loans and the adoption of appropriate stabilization policies. Such facilities are essential if countries now in balance-payments deficit are to maintain reasonable levels of internal activity and foreign trade.

The leaders committed themselves to work to expand opportunities for world trade by giving a new impulse to the multilateral trade negotiations. The aim is to make substantive progress in key areas in 1977, taking into account structural changes in the world economy.

The leaders also pledged themselves to greater energy conservation and agreed on the need for greater exchanges of technology, joint research and development for the efficient use of energy sources, including the use and production of coal. They also agreed on the need to exchange nuclear energy to help meet the world's energy requirements, and are launching an urgent study to determine how to achieve this while reducing the risks of nuclear proliferation.

Finally, the participants pledged themselves to do all in their power to achieve a successful conclusion to the CIEC and committed themselves to a continued constructive dialogue with the developing countries. There was agreement to help the developing countries towards a just share in the sustained growth of the world economy by means of aid, trade and finance. The Comecon countries were invited to do the same.

The leaders agreed to work through the appropriate international institutions, such as the United Nations, the World Bank, the IMF, the GATT and OECD. Those participants who belong to the European Economic Community intend to make their efforts within its framework.

The seven leading industrial democracies, Mr President, thus pledged themselves to a programme aimed not simply at their own future prosperity but for that prosperity to be more fairly shared in a safe and peaceful world.

(Applause)

President. — I call Mr Jenkins.

Mr Jenkins, President of the Commission — Mr President, as the House well knows, the European Community was represented during part of the Downing Street Summit last week-end by the British Prime Minister, as President of the Council of Ministers, and by myself as President of the Commission of the European Communities. This was the first time that the Community as such had played any part at a Western Summit meeting, and I greatly welcome this important innovation. I should add that, at those parts of the meeting I attended, the rôle and responsibilities of the Community were fully recognized by members and non-members of the Community alike.

I was happy to contribute to the results of the meeting. At the same time, Mr President, I cannot pretend that the arrangements for the representation of the Community were either logical or entirely satisfactory. I was able to play a full part in the discussions on trade and extend that on energy. My staff helped in the North-South dialogue, and to a limited preparation of these parts of the declaration and its appendix, and I contributed to the discussion of the final text, but I was not present for the general economic debate, on which such vital questions as growth, inflation and employment, particularly among young people, were discussed. The House will recall that these were the subject of a statement at the last European Council in Rome, when the Commission was charged with certain tasks. Nor was I present at most of the discussions on energy, though I recognize that here there was overlapping with the wider question of the non-proliferation of nuclear weapons. Given the range of the Community's responsibility, attempts to distinguish between the general and specific aspects of our economic problems are inevitably artificial and difficult. I hope that we shall be able to get a better arrangement next time.

(Applause)

The declaration, Mr President, with its appendix, speaks for itself, but I should like to say a brief word about certain parts of it. I deal first with trade. As you will have seen, all those at Downing Street endorsed the giving of a new impetus to the Tokyo round of multilateral trade negotiations. In the circumstances which prevail, our explicit rejection of protectionism was not an automatic and platitudinous reflex. The world has changed since the multinational trade negotiations were launched in 1973, and each of the participating governments is exposed to heavy protectionist pressure; but all concerned recognized that the return to growth and stability lay in the expansion of trade and the strengthening of the open trading system rather than through protectionism. Thus, we agreed on certain objectives in the forthcoming negotiations which we in the Community can only welcome — not just the reduction of tariffs, but tariff harmonization; the reduction of nontariff barriers; the reduction

of counter-productive competition in officially-supported export credits; and the outlawing of those irregular practices and improper conduct which have recently disfigured our trading system.

I emphasize that in working for comprehensive and balanced agreements — they must be comprehensive and balanced — we shall seek to ensure that special benefits go to the non-industrial countries, and I indeed particularly welcome, beyond these trading questions, the progress made in our approach to relations with these non-industrial countries in the developing world. The participants at the conference agreed to do all in their power to achieve the successful conclusion of the Conference on International Economic Cooperation, which culminates in Paris at the end of this month. The participants in the Summit pledged themselves to increase the flow of aid and other real resources, to facilitate the access of non-industrial countries to sources of international finance, to support such lending institutions as the World Bank and increase its lending capacity, and to secure productive results from negotiations about the stabilization of commodity prices and the creation of a common fund for individual buffer-stock agreements.

I lay particular emphasis on the agreement to consider the problems of the stabilization of export earnings, a point to which, as you know, the Community and its members attach particular importance, based in part on the success of our own schemes under the Lomé Convention. Commodity prices and export earnings stabilization must, I think, be seen as two complementary sides of the same coin.

The weight given to the importance of creating greater security for private investment to foster world economic progress is also welcome. Last, under this heading of relations with the developing world, I draw attention to the invitation to the Comecon countries to join us in increasing the flow of aid and other real resources to the non-industrial world.

I also welcome, Mr President, the emphasis in the Declaration and its Appendix on the need to conserve energy, to increase and diversify its production and to reduce our dependence upon oil. In the Appendix, the participants stated explicitly that increasing reliance would have to be placed on nuclear energy to satisfy our growing energy requirements. This is of particular importance to the Community whose dependence on imported supplies is very great. Here we come up against the familiar dilemma of how to promote peaceful uses of nuclear energy while avoiding the spread of nuclear weapons. There is to be a study of these issues, including work on terms of reference, for an evaluation of the international nuclear-fuel cycle. As I said at the meeting itself, I trust that the Community, which has much to contribute to such an evaluation, will be able to play its part

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in it. We greatly welcome the Summit's commitment to greater exchanges of technology and joint research, a more efficient use of energy, the improved recovery and use of coal and other conventional resources, as well as the development of new sources of energy. How we now tackle the energy problem will, indeed, shape much of the future of the Community and our people. Not only must we expound to them the urgent nature of our needs in the nuclear field, but we must also be prepared to respond sensitively to their doubts and anxieties.

Finally, Mr President, I echo the message of the Summit as set out in the last paragraph of the declaration, the need for a restoration of confidence in the continuing strength of our societies and the proven democratic principles on which they are based.

(Applause)

President. — I call Mr Bertrand.

Mr A. Bertrand. — *(NL)* Mr President, as chairman of the Political Affairs Committee, I should like to remark that the statements made by the President-in-Office of the Council and the President of the Commission were remarkably brief. We should thus like an opportunity to discuss them seriously in the various committees of this Parliament. It is quite unthinkable that the parliamentary committees should not discuss the implications and significance of these Community statements on this summit.

Mr Jenkins went into rather more detail and I should in any case like to invite him to attend a meeting of the Political Affairs Committee at which, with his cooperation and with reference to the texts, which we do not yet have, we can prepare for the debate on this question.

President. — Mr Jenkins, do you accept Mr Bertrand's invitation?

Mr Jenkins, President of the Commission. — I hope and believe that Mr Bertrand will agree that I am always happy, whenever possible, to come to the Political Affairs Committee, and I would certainly regard a debate on this issue as being an occasion which would invite my presence even more pressingly than some of the other occasions on which I have already attended.

President. — Mr Bertrand?

Mr A. Bertrand. — *(NL)* Mr President, I do not know whether he understood me, but the invitation is also extended to the President-in-Office of the Council. He need not be afraid of setting a precedent, since it will not be the first time that the President-in-Office of the Council has attended a meeting of a parliamentary committee. My invitation thus also applies to the President-in-Office of the Council.

President. — I call Mr Tomlinson.

Mr Tomlinson, President-in-Office of the Council. — Mr President, I obviously welcome the invitation extended by Mr Bertrand. What the Council has to do is to look closely at the dates and see if it is possible to assist in this meeting. We hope we will be able to, but we will have to look at the dates carefully.

President. — I call Lord Bruce of Donington.

Lord Bruce of Donington. — Mr President, will the President of the Commission also bear in mind that Parliament's Committee on Economic and Monetary Affairs is also vitally concerned in the pronouncement that he has just made, and may we take it that his willingness to appear before the Political Affairs Committee of Parliament is also extended to the Committee on Economic and Monetary Affairs?

President. — I call Mr Jenkins.

Mr Jenkins, President of the Commission. — I attach the greatest importance to the Committee on Economic and Monetary Affairs, though it must be said that the range of the issues at which I was not present overlaps that of this particular committee, and it could clearly be claimed that there are other committees — the Committee on Energy and Research is an obvious example — which might demand my presence. I will certainly maintain the closest liaison with the Parliament and all its relevant committees. But I do not think it would be wise for me to enter into specific commitments beyond that which I gave, for certain obvious reasons, I think, to the Political Affairs Committee.

President. — I call Mr Scott-Hopkins on a point of order.

Mr Scott-Hopkins. — We did agree, did we not, on Monday that we would not have a debate after the two statements? I don't quite understand what we are doing now, except that. Surely this House will be discussing this matter at a later part session, and as we did agree on Monday not to do so now, may I ask you to use your president's prerogative to move on to the next item?

President. — Mr Scott-Hopkins, I would point out that we are not at present holding a general debate, in that only points of order are under discussion.

Allow me to take this opportunity of asking the honourable Members who still wish to speak to confine themselves to this specific question.

I call Mr Dalyell.

Mr Dalyell. — I was going to ask the inevitable question that was put from a sedentary position by Lord Bessborough: that if the President-in-Office could come to the Political Affairs Committee, in the circumstances why not the Committee on Energy and Research? I quite understand from his answer that he does not want to be peripatetic round all the committees. But could I then ask him if he would give me some kind of written outline on exactly what the Summit asked of the Commission in relation to energy, because it is far from clear to some of us exactly what the Summit expects the Commission to do?

President. — I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Well, I think that so far as the procedural part of our honourable friend's question was concerned, I really answered that in anticipation when dealing with the question from Lord Bruce. I am certainly anxious to provide any useful information I can. I am not absolutely sure the Summit was exactly clear what it wanted the Commission to do about energy. The Summit is bound to be a body with a wide-ranging exchange of views and where it was precise this is contained in the communiqué.

President. — I call Mr Sieglerschmidt.

Mr Sieglerschmidt. — (D) Mr President, I should merely like to express the hope that the President-in-Office of the Council in particular will feel able in the Political Affairs Committee to tell us more than was in the extended press communiqué he has just presented.

President. — To sum up these statements on procedure, it is agreed that there will be contacts between the Presidents of the Commission and the Council and the Political Affairs Committee and, where necessary, other committees.

5. Economic situation in the Community

President. — The next item on the agenda is the report from the Commission of the European Communities on the economic situation in the Community. I call Mr Ortoli.

Mr Ortoli, Vice-President of the Commission. — (F) Mr President, I want first of all to comment briefly on the background to the present economic trend. We are still in the economic cycle which started in 1973 and which has presented the Member States of the Community with a series of similar problems. Some of these problems were of relatively long standing but they were encouraged and magnified by the increases in the price of oil.

We all know the two major results of the 1973 crisis. Firstly, we have had to accept a real transfer from our

own resources and, consequently, a cutback in our growth rate and increase in purchasing power, and secondly we have had to make structural changes, the far-reaching character of which has become increasingly clear. The result has been a combination of inflation and unemployment, and our Member States, like most other countries, have had to rethink their medium and long-term policies in order to achieve a growth-led elimination of unemployment and — and equally important — to curb inflation and restore equilibrium on the balances of payments. This was the strategy outlined explicitly in 1976 by the OECD — in its master plan for 1980 — and by the Community in its medium-term policy programme. The strategies are identical but the Member States all started from different points and have achieved unequal results. The reason for this is to be found in the vastly different circumstances which became apparent in 1976. The differences will be less pronounced this year, but this is a slow process.

The growth which was achieved from 1974 to 1976 varied greatly from one country to the next. It was practically zero in the United Kingdom; in three years it reached only 2.5% in Germany; in France it was 6% and it fluctuated between 4.5% and 5% for the other Member States. This year it should range from 1.5% in Luxembourg to 4.5-5% in Germany.

The rates of inflation, too, vary greatly within the Community. The beginning of 1974 saw a sudden spread of inflation rates. They still covered a wide range in 1976, rising from 4.5% in Germany to 18% in Italy, and this trend seemed likely to accelerate. Rates in France, Belgium and the Netherlands were just below 10%. Here too, the outlook for 1977 seems somewhat rosier. Inflation rates should drop this year, although not as fast as was expected in spite of the energetic measures taken by all the Member States.

Thirdly, external disequilibria which the recession had greatly reduced in 1975 again became more marked in 1976. The situation worsened in Denmark, Italy and France, and the United Kingdom remained in deficit. This contrasted with a stable surplus in Germany and a larger surplus in the Netherlands. The outlook for 1977 suggests a better balance between the deficit and surplus countries, but there is still going to be a gap, albeit reduced, between the two groups.

There was, however, a general rise in unemployment throughout the Community, and the fact that it took place everywhere is just as worrying as the phenomenon itself. A total of 5 500 000 people are now out of work, i.e. 0.50% of the working population in Luxembourg, approximately 4% in Germany and the Netherlands, 4.5% in France, 5.5% in the United Kingdom, 4% in Italy, 6.7% in Belgium and Denmark, and almost 10% in Ireland. The problem

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of unemployment is all the more alarming in that there is little hope of seeing any improvement in the near future, as the unemployment figures in Germany, Belgium and the Netherlands are falling only slowly and the structure of unemployment — among women and young people — also gives cause for concern. The number of jobs available, however, is still increasing.

The situation, then, is full of contradictions. However, a number of encouraging features are starting to emerge. We are beginning to get policies aligned, particularly recently. There is now greater agreement on common objectives and methods, and on their application. This is a significant step forward in a world where interdependence is a *sine qua non*. Another positive aspect is that we are beginning to see the results of our campaigns on two or three fronts. As regards rising prices, inflation seems to be slowing down. This is vital, of course. There should be a real improvement in the balances of payments in 1977, with reduced surpluses in some countries of the Community and reduced deficits in the others.

Things are looking up, slowly, in the Community, although the main problem of unemployment is still with us.

There is a third encouraging aspect. The Community should benefit from the vigorous expansion in the United States, since this is bound to help the world economic situation. I am not going to dwell on this point, but all the indications are that the expansion in the American economy has taken off again. Industrial production and employment figures are rising rapidly and this is not inconsistent with the high level of unemployment which is, in any case, being curbed by the steadily increasing number of available jobs. Productive investment is also likely to increase strongly in 1977. All these factors provide a very encouraging picture.

On the other hand, there is still a danger that inflation will accelerate and this explains why the Carter Administration decided to cut back on the programme to boost the economy which had been drawn up earlier. However, I do not feel that the recent decision not to grant certain tax concessions will affect the trend I have just outlined. It seems likely that the United States will achieve a growth rate of about 5%, and this will be a vital contribution to economic growth in the world.

It has been said many times, and with truth, that the direct effect of developments in the United States on what happens in the Community is very limited. Nonetheless, I believe that the psychological impact of a feeling of economic revival in the world can be of great value, particularly to our own investors. When German investors, for example, see that the graph of the vast American market is moving decisively upwards and that American investors are steadily

increasing their manufacturing capacity, this must — in my opinion — be a powerful stimulus to invest, quite apart from the direct effects of American growth.

We have to hope too that, following the London summit, the recovery in the Japanese economy will also accelerate and help to encourage increased international trade, which should be up by about 7.5% this year — more or less the average we saw between 1960 and 1971.

The summit meeting in London was marked by determination and confidence. Like Mr. Jenkins, I want to stress this fact, since these are encouraging attitudes in the current situation.

Nonetheless, these positive elements must not blind us to the fact that the improvement is slow and limited and that there remains a serious unemployment problem. Growth is still not very rapid. The Community's gross domestic product is not expected to expand by more than 3.5% this year, after reaching 4.3% in 1976. Inflation will remain at around 10% and unemployment figures will remain high, with between 4.6% and 4.8% of the working population out of a job. The figure last year was 4.6%. Consequently, we must not relax our joint efforts to consolidate the economic upturn and establish growth rates, in 1977 and the years following, which will enable us to reduce unemployment and overcome the problem of divergent economic development which is undermining the cohesion of the Community. Let one thing be clear: we must be relentless in the fight against inflation. It is a fight we have to win, since in the medium term, and sometimes in the short term, inflation is a basic cause of unemployment.

This analysis of the situation leads me to my first conclusion. In line with the policy endorsed anew at the recent European Council meeting in Rome, it is now more than ever important for all the Member States to close ranks and pursue a common medium-term policy. National economic policies must be mutually compatible and a return to full employment without inflation must be given priority. Both groups of countries, those in surplus and those in deficit, have particular responsibilities in this respect. Along with growth there must be a return to a more even distribution on the external balances. This has to be encouraged by internal demand in countries with a surplus on current account in order to stimulate exports from the deficit countries. In turn, it is vital for the countries with a deficit to concentrate on boosting exports by making a special effort to curb rising production costs and giving priority to investments which can make these countries more competitive. It is to Germany that we are primarily looking at the moment to stimulate the Community economy.

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The Federal Government is aiming at a growth rate of 5 % this year, and in spite of the recent signs of downturn in the indicators of demand and production in Germany there is no doubt that this target can be reached. To the extent that they result from statistical adjustments these indicators are indeed difficult to evaluate. Nevertheless, if they are a true indication that expansion is again faltering, we can still expect the German Government to do what is required to achieve its set targets, which are of singular importance for the whole Community. This is clearly vital.

Secondly, if there is to be a successful conclusion to this difficult task, there must of course be a consensus.

The new Tripartite Conference which is scheduled to be held in Luxembourg at the end of June may help us achieve this. The themes of the conference will be growth, stability and employment. We shall take this opportunity, with both sides of industry, to review how far the recommendations of the 1976 conference have been implemented and to consider future developments. We attach great importance to these talks. They have to continue if we are going to find out what is wrong and work out a common strategy for all the economic groups. I can assure you that the Commission will spare no effort to ensure that the participants at the conference have a sound basis for frank and useful discussion.

Thirdly, an active policy in the employment sphere is a necessary adjunct to the growth policy. I do not believe that we can solve the problem of unemployment unless there is a more sustained upswing in the economy. None of the other measures we plan to implement can offer a lasting solution to the unemployment problems facing us, which are partly caused by structural factors. Alongside this growth policy, which inflation and balance of payments deficits make difficult to get going, there is nonetheless room for an active employment policy. Efforts have been made along these lines at both national and Community level, but greater and better planned efforts are essential. We have to improve the operation of the Social Fund and use it to provide more aid at regional and sectoral level. We must also encourage measures designed to respond adequately to the particular needs which arise from the lack of jobs for women and young people. I need not stress this last point since the European Council has paid particular attention to it and the Commission, quite naturally, recognizes it as a special responsibility.

I also want to mention investments in this overall review. Investments should be an integral part of our growth in the future. In recent years government investment has varied from country to country, in accordance with the economic policies followed and with the budgetary constraints. Most countries are now attempting to reduce the deficits in their budgets, and this should lead to more vigorous government invest-

ment in 1977. However, the somewhat hesitant nature of the upturn has caused some countries, especially Germany, to take support measures in this field. We welcome these. For some years private investment has been falling off markedly, except in housing, and this has meant a considerable reduction in its volume share of the G.D.P. No real improvement is in sight for 1977. In 1973 private investment accounted for nearly 13 % of the United Kingdom's GNP and for 17 % in Germany. These were the two extremes. In 1976 the figure had dropped to below 12 % in the United Kingdom and to 15.5 % in Germany, a fall-off of 1.5-2 % GNP.

This means that we have not seen the growth we should have liked in one of the factors which we consider vital, along with increased exports by the deficit countries and a higher level of domestic consumption in those with a surplus on the balance of payments. The outlook is thus not yet entirely reassuring. If the investment picture, particularly productive investment, continues to develop in this way, the result may be a long-term weakening of the growth potential in the economies of the European countries, particularly since this trend has been accompanied in a number of countries by a reduced productivity of capital. We must waste no time in encouraging investments if we do not want to jeopardize our chances of seriously reducing unemployment in the coming years. Investment is a factor which can provide an immediate boost to the economy since it creates jobs both directly and indirectly. I am thinking of the services sector in this connection, as we all know that new jobs are seldom created by an industry itself but are the result of the development of the industry and its ancillary services.

Priority must be given to this matter by all the Member States, but especially by those wrestling with the problems of a structural deficit on the balance of payments. These countries will have to implement a vigorous medium-term programme aimed at making their production structures competitive and adapting them to meet foreign demand more effectively. But if there is to be a higher level of investment, there must first of all be greater confidence in the direction the world economy is taking. This is why I so strongly emphasized the sense of encouragement collectively engendered by the London summit meeting, and by the economic revival in the United States. In general terms, what we have to do is to create a climate which is more favourable to investment. First of all, investors have to be able to count on steady growth in the future, without all the ups and downs which make the realization of investment programmes such an uncertain business. Stable prices and a stable currency have a primary role to play here. A successful growth policy depends on confidence in the regulation of economic activity by our governments, the quality of our mone-

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tary policy and disciplined budgetary management. Similarly, entrepreneurs can only take rational decisions if laws and regulations, particularly with regard to prices and profit margins, are not constantly changing.

This implies, of course, that the business sector will take a responsible part in the search for stability.

There can be no denying that in recent years the very sharp drop in profit margins has intensified the downward trend in the return on capital invested, which had already been noticeable in a number of countries even before the present crisis. The revival has increased profit margins to some extent — by this I mean company growth margins arising from the higher productivity which the revival has stimulated. Nevertheless, in many countries these margins are still too narrow and the outlook is bleak as regards return on capital. It is my opinion that we have a task to perform at Community and national level, not a material or technical task, but the task of understanding and making others understand that without dynamic investment and sufficiently vigorous industrial development we shall fail to win the battle for growth and full employment. I believe that growth has to become acceptable again, because we need growth, but to achieve this we must first of all revitalize our investment capability, our capacity to produce more powerful and more dynamic industries and, consequently, our ability to create the services dependent on industry and which provide jobs.

Furthermore, we must waste no time in thinking of ways to stimulate directly the creation of capital, either generally or sector by sector, in line with the objectives of growth and full employment of our fourth medium-term programme.

In this context, the European Council has entrusted the Commission with the task of seeing that the Community's financial resources are put to better use in these sectors. I must point out that the Community has very few means of influencing investments directly. Community investment is provided by the European Investment Bank, the Regional Development Fund and the Guidance Section of the EAGGF. There are also loans to the coal and steel industries. All this represents just over 1 % of the Community's gross capital formation. However, there is more to this figure than meets the eye, since our aid is relatively substantial, and probably decisive, in certain sectors. Take the coal and steel industries: in 1976 Community loans accounted for about 30 % of total investments. In addition, when Community investment is coupled with national financing it has a greater influence on the level of investments than the actual figures would suggest. In 1976, for example, the Regional Fund contributed 500 million u.a. to investment projects worth a total of 4 700 million u.a. The same applies to aid from the Guidance Section of the

EAGGF. Our contribution may be limited, but our role is by no means negligible, and involves also recommending and backing national and Community measures to stimulate investment.

Our Community can in fact help to solve some very serious problems and generate more funds than those at its immediate disposal. This is obviously the Commission's role, and it is the Commission which must help to show that there is, at the present time, plenty of room for vigorous action at national level and, where appropriate, at Community level, to boost demand in the medium term and reduce certain structural deficits in trade balances. I am thinking here especially of investment to save energy or develop new sources of energy (this is why we adopted a new financial aid programme for Euratom some weeks ago), to create — directly or indirectly — employment which will not be followed by marked inflation, to free log jams in the production or infrastructures, and finally to facilitate the reorganization of various industrial sectors. The steel industry is an example of this last aim, but is certainly not the only one.

The Commission is working on the implementation of these ideas, which seem to have been received favourably by the Council. The Council agrees that the Community must make better use of its financial means and has stressed the role of the European Investment Bank in this connection. Our great concern is shown by all our efforts on coordination, our measures for the steel industry, the proposals we intend to make (for example, on regional policy) and what the President of the Commission has said in this House.

However, I do not want to pretend that the new or overhauled machinery for Community loans is some kind of panacea for all our ills. I am convinced that there is a great deal more we can do, based on a careful analysis of requirements, of the financial resources which can be used, and of the sectors in which the Community can take useful action. And once again, even if our action is indirect or of limited scope, it can still be a powerful stimulus.

Let me touch on one final point, the Community's economic and financial responsibilities in the world. Two equally essential dialogues have now begun at international level — the talks between the industrialized nations, and the North-South dialogue. These questions also came up during the recent London summit meeting.

I want to mention only one point here which is common to both these dialogues, namely the conditions for a better distribution of international liquidity. In a situation of persistent imbalance, it is vital to maintain the development of international trade, since this is a major factor in our own growth. It is from this angle that we must consider the problem of the distribution of international liquidity. It is in our

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interest to see international trade develop and to benefit from this growth, just as we have always done. The development of international trade has been a major element in the growth of the European economy, which has been inextricably linked to increasing exports, since our economy is entirely dependent on imports.

Since the price of oil increased fourfold, the OPEC countries have built up a surplus of about 140 000 million dollars on current account. The developing countries have a deficit of about 80 000 million dollars, while the OECD countries — excluding the United States, Japan and the Community — have run up a deficit of almost 50 000 million. As for the Community, we had a negative balance of 18 000 million dollars in 1974-76, but the situation varied considerably within the Community, with some countries strongly in surplus and others markedly in deficit.

This has in fact encouraged closer cooperation and a heightened sense of solidarity, illustrated by the Community loan, the most recent example of which was the decision to grant Italy a further *tranche* of 500 million.

It will be some time before things get back to normal. This is a persistent problem, but I feel that the problem has so far been tackled more satisfactorily than would have been thought possible, four years ago. Our financial instruments have functioned admirably and there has, on the whole, been an acceptable degree of international solidarity. The Community must actively assist the development of international action in this area. Its first task — which I have already mentioned — is to help achieve a more balanced redistribution of monetary reserves among the world's industrialized nations. The effort must start with ourselves; it is not simply a question of financing or making credit available, but of our capacity to achieve a more satisfactory situation, or even a proper equilibrium.

The Community must also play its part in strengthening the machinery for financing external deficits, since — as I said — these deficits will not be quickly absorbed. The Community must do this, of course, in a way which allows the countries in question to pursue policies adapted to a lasting improvement in the economic climate. This notion of conditional assistance underlies the progress which we are currently achieving.

It is not therefore a question of radically changing what we are already doing, but of strengthening and improving the available machinery. With the help of the private banking sector, together with the development of public financing, especially by the International Monetary Fund, it has proved possible to meet all the requirements. But we must find ways of allowing these international agencies to give more

assistance. I can only touch briefly on these problems, but it is along these lines, and with our support, that a pattern is beginning to emerge following the meeting of the Interim Committee of the International Monetary Fund.

I shall leave you with these few ideas, Mr President. They may be somewhat bleak but they are in keeping with the times. I cannot claim to have done more than review the situation and indicate the courses of action. You know as well as I do that such action will require a very vigorous effort from our governments and from the Commission, and a climate inspiring confidence among the economic groups and the two sides of industry.

Although I have not mentioned the problems connected with strengthening coordination within the Community, apart from saying that I did think some progress was being made here, I am sure that Europe, as such, has a part to play. Our interdependence and the strength our unity gives us, as compared with the weakness of a divided continent, enable us to be a dependable partner in world trade.

But we are more than that — we are a Community. The crisis we are going through has highlighted the reality of our economic ties, which can be seen in each Member State, and the need for solidarity. We must be absolutely determined to reduce our disparities, strengthen our cohesion and make a maximum contribution to healthy growth. Only in this way can we overcome the crisis, conquer unemployment and banish the threat of renascent protectionism which, as history teaches, has always ultimately led to reduced growth and increased unemployment.

(Applause)

President. — Thank you, Mr Ortoli, for your statement. It will be considered by the appropriate parliamentary committee which will then submit a report to the House.

I call Mr Guldberg.

Mr Guldberg. — *(F)* Mr President, since the Committee on Economic and Monetary Affairs will have the opportunity of discussing what Mr Ortoli has said, I shall ask only two questions in advance of that discussion.

While I appreciated Mr Ortoli's optimism, I should like to ask him — in view of the fact that there is a continuing trend towards devaluation in a number of Member States — whether the Commission is of the opinion that this reduces the differences between the inflation rates in the Member States, or whether it does not feel that this imbalance is in itself a source of inflation, which will be passed on by our common internal market.

My second question, Mr President, is somewhat similar. We have heard several times today that it is

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important to emphasize our determination to avoid the pitfall of protectionism. This being so, does the Commission not think that it is, in the long run, realistic to pursue such a policy if we wish to safeguard the coherence of a common internal market when one of the Member States is pursuing a policy which is much more inflationary than the others?

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — Mr President, I am the only officer of the Committee on Economic and Monetary Affairs here but I had not intended to speak on behalf of the committee — I have not prepared to do so — but rather to put a question on behalf of the European Conservative Group.

The statement we have had from Mr Ortoli is obviously on the right lines and he has shown, as usual, his convincing grasp of his subject. We have these problems of inflation and unemployment and I have to ask if the Commission is confident that the application of the old-fashioned remedies is working fast enough? Are these remedies in fact working at all? There is a cloud of anxiety over the whole prospect for the economic revival which was much talked about last year. Are we confident that we are going fast enough towards the revival of economic confidence? Mr Ortoli spoke of the necessity for us to awaken world confidence in the future of economic development, but does not the Community itself have such a large part of world trade that we ourselves have a special responsibility to take the necessary measures which will effectively restore confidence in the business outlook? For instance, are we doing enough to restore stability to the exchange markets? Are we doing enough to bring investment conditions in the Community into harmony? What has become of the Duisenberg Plan? If in fact it is dead, what is the Commission going to put in its place? Can we not suggest to Mr Ortoli that it is not enough to continue the application of the old remedies, that the Commission owes it to the Community — and the Community demands — new departures which will be ambitious and fresh in the direction of the restoration of business confidence.

President. — I call Mr Leonardi.

Mr Leonardi. — (I) Mr President, as I hope that the Committee on Economic and Monetary Affairs is going to discuss this matter, I shall ask only one or two questions here.

Firstly, I should like to ask Mr Ortoli what he means by 'transfer from our own resources'. I should like the Committee on Economic and Monetary Affairs to give

a precise definition of this term and to examine thoroughly the transfers of resources which have always occurred within the Community. I should also like the Committee to look at the qualitative change which has occurred in this respect, bearing in mind the differences between the various Member States.

My second question concerns investments. Mr Ortoli said that the situation is getting worse. I should like to see an analysis of investment trends since the Community was created. This analysis should also take account of the diminished productivity of capital. I should like to obtain adequate data on this topic since information in this sector is very important.

Finally, I should like to suggest that the time is ripe to take another look at the proposals made in the Segre report, more than 10 years ago, on the setting up of a Community financial market.

President. — I call Mr Ellis.

Mr Ellis. — Mr President, I would like to ask a question following the very interesting question put by Sir Brandon Rhys Williams, when he spoke about the old methods no longer being as successful as one would have thought at one time. I would like to frame it in terms of the political issues involved and indeed in the light of the summit of 7 May which, as I see it, was an attempt to get some kind of unified political will behind the economic situation. I suppose one could argue that the whole of the Western world has been pulled along since the war by the great American engine, its overvalued dollar, its substantial deficits in balance of payments, its direct capital investment and so on, but that, as one commentator has put it recently, the benign economic hegemony of the United States no longer presides over the world situation, ironically perhaps because of the very success of the Western countries in developing their own economies. Therefore does Mr Ortoli not think that the crucial requirement — since, as Sir Brandon said, we in the Community form a very substantial part of the world economic order — must be the establishment of a really unified political will in the Community before we would ever begin, as it were, to work alongside America and Japan jointly towards overcoming the major economic problems that face us?

President. — I call Mr Ortoli.

Mr Ortoli, Vice-President of the Commission. — (F) Mr President, I shall answer Mr Guldberg's questions first. In my opinion, what we have said about the need to stabilize the whole economy in an effort to achieve a healthy revival of growth and reduced unemployment is equally true with regard to exchange rates.

Ortoli

It is true that it is inflation which causes money to lose value, and this in turn is a cause of inflation. What is needed is a strategy for overall stability.

Secondly, there is a definite trend towards protectionism, which is encouraged by differing growth rates and also by different rates of price increases. I can only repeat that this trend has to be countered, first of all internally, within the Community, and then in the international context.

Sir Brandon Rhys Williams wondered if the old-fashioned remedies were working fast enough and whether new departures were not called for. This would entail lengthy discussion, of course. Nevertheless, I do feel that a change is taking place in the general approach to economic policy.

Firstly, there can be no doubt that there are some long-debated aspects which, although they have a relatively modest impact on stabilization and growth policies in recent years, have now become very important again. I am referring to monetary policy, in the strict sense, and to budgetary policy. But it is also true that other aspects have emerged which cannot be disregarded.

The first of these is the series of efforts which have been made to arrive at a greater consensus, in the face of a very confused situation, so that a common understanding of the problems before us and the objectives we have to set can lead to an economy of effort and resources. Agreement on objectives and the methods to be used will help us tap a rich seam of potential endeavour. It was for this reason that I stressed, for example, the importance of the Tripartite Conference.

It is also true that we are introducing new policies and seeing them emerge on the international front. I mentioned very briefly the policy for redistributing cash reserves. I should also have mentioned, although I said I was not going to, the new effort to coordinate internationally budgetary and monetary policies and also, I hope, exchange rate policies. Reference was made to the Duisenberg plan. It is my personal conviction that this is an extremely important approach which has to be studied carefully. But let me also say that I think sectoral policies of a more voluntarist type are needed.

I mentioned energy policy and I shall do so again, since you have often heard me say that I believe this to be vitally important. We are faced with an enormous deficit on the balances of payment and — if I may use the expression — an investment deficit, and here is a policy with the tremendous advantage of envisaging massive investment in major projects for the saving of energy and the development of resources. It is a policy which will enable us to reduce the deficit for which oil is chiefly to blame. In my opinion, new sectoral policies are needed in sectors as large as the energy sector.

I agree with the suggestion that this whole debate can be taken up again by the appropriate committee, but I feel — and the very existence of Europe bears me out on this — that we are gradually developing new policies, and there is no doubt that Keynesian-type policies, for example, are being viewed with considerable caution nowadays. But I feel they still have some relevance, and that people are rather too ready to discard old ideas which were new 30 years ago.

However, economic patterns are changing and, I might add, becoming more complex. There is another policy element which must not be forgotten: the idea of international solidarity which has developed. The Community loans are an example of this. As for stability on the foreign exchange market, I personally feel that this is an essential part of the policy we have to pursue. But half an hour is not long enough to go into every aspect, so please forgive me if I have not covered all the points which no doubt have to be discussed in this Assembly.

Mr Leonardi asked me to clarify the transfers of resources when we meet to discuss these matters. We are all aware of what happened, namely, that we suddenly found ourselves having to work overtime to pay for our imported oil which had become very much more expensive. This is a major cause of the new equilibrium, or should I say, the major disequilibrium of our economies.

He suggested we should discuss investments again. I am more than willing to do so. He referred to the contents of the Segre report, but since I am not a walking encyclopaedia either, I cannot be absolutely certain of its exact contents. However, I can assure you that I shall read it with a great deal of interest.

President. — The proceedings will now be suspended until 3:00 p.m.

The House will rise.

(The sitting was suspended at 1:00 p.m. and resumed at 3:10 p.m.)

President. — The sitting is resumed.

6. Agricultural prices

President. — I have received from Mr Scott-Hopkins, on behalf of the European Conservative Group, a motion for a resolution with request for urgent debate pursuant to Rule 14 of the Rules of Procedure, on the agricultural price negotiations (Doc. 108/77).

I shall consult Parliament at the beginning of tomorrow's sitting on the urgency of this motion.

I call Mr Gundelach.

Mr Gundelach, Vice-President of the Commission. — Mr President, I request in the name of the Commission to make a short communication to the House on

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the question of agricultural prices and related matters, which, I understand, may help the House over discussions concerning further procedures.

President. — Mr Gundelach, as you have just heard, the Conservative Group has submitted a motion for a resolution with a request for urgent debate on this same question.

Tomorrow Parliament is to decide on the question of urgent procedure, and I hope that this will be adopted, so that you can make your statement in the context of the debate on the motion for a resolution. I cannot interfere with the agenda today, unless the House decides otherwise.

I would, however, remind the House that the debate on human rights has already been delayed several times, either for procedural reasons or because we thought it necessary to give priority to other questions.

I therefore feel we should not upset our agenda.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — On a point of order, Sir. I have no intention of delaying the House longer than you yourself, Sir, who were ten minutes late in arriving for this sitting. If Mr Gundelach, the Commissioner, is now prepared to make a statement, I formally will withdraw my motion, which will be taken tomorrow morning.

(Applause from the European Conservative Group)

President. — If we wish to insert Mr Gundelach's statement at this point we shall have to change the agenda.

Mr Scott-Hopkins, would you like the agenda to be changed?

Mr Scott-Hopkins. — Mr President, I understand — without wasting time — that when the Commission demands the floor the House under normal circumstances gives it. I hope that there is nobody in the House today, in view of what I have just said — that my group is prepared to withdraw our motion for urgent debate tomorrow, who will resist the suggestion that Mr Gundelach should make a short statement concerning the price-review. This is what we originally asked for, and I would hope the House would accept this, Sir.

President. — I call Mr Scelba.

Mr Scelba. — *(I)* Mr President, allow me to recall that at the last part-session Parliament voted that the debate on human rights should take place in the morning so that the afternoon should be available as well if necessary. We have already departed from this commitment for other reasons, but I would think it odd if, in order to insert a further item — which we can perfectly well discuss tomorrow morning — we

should have to debate a question of such importance this evening.

I suggest, therefore, Mr President, that the agenda should be left as it is, considering that in the past Parliament has frequently protested at the fact that changes had been made in the agenda.

Changes can only be accepted in quite exceptional circumstances and must not become the rule, as some people in this House seem to want.

President. — I call Mr Fellermaier.

Mr Fellermaier. — *(D)* Mr President, I agree with Mr Scelba. It would be intolerable for the debate on human rights, which has already been put off once, to be interfered with. Naturally, in accordance with Rule 31, (3) of the Rules of Procedure, the Commission or the Council must always be heard at their request, but Parliament is free to decide when and at what point in the proceedings. I propose, therefore, that the Commission's request be dealt with at the end of today's business and that Mr Gundelach can then — in accordance with the wishes of the Commission — make his statement to Parliament.

President. — I have received a formal proposal that I should consult the House at the end of the debate on human rights on the time at which the Commission's statement should be heard.

I should like to hear one for and one against this proposal.

I call Mr Laban.

Mr Laban. — *(NL)* Mr President, I would have thought that Mr Gundelach could make a statement that does not anticipate the substance of the decision and is not followed by a debate, but which could open the way to a satisfactory solution to the problem, so I think that Parliament — which has the power to do this — could allow the Commissioner to speak without this leading to a debate on the substance. We should thus save ourselves a great deal of trouble and can then get on with the debate on human rights without further delay.

(Applause from the European Conservative Group)

President. — I call Mr Bertrand.

Mr A. Bertrand. — *(NL)* Mr President, I asked leave to speak in order to urge Parliament to abide by the decisions that have been taken. Last month the Bureau met from 9 o'clock in the morning until 1 o'clock in the afternoon and we then all — the chairmen and vice-chairmen of the groups — agreed to make no changes in the agenda for Tuesday and Wednesday. I would ask you to respect this decision so as not to waste any more time. Any further points which are now put on the agenda will just have to be dealt with on Thursday. The agenda for Tuesday and

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Wednesday, however, must be taken as laid down by the Bureau.

President. — I put to the vote the proposal for postponing until the end of the debate on human rights the decision on when to hear the statement from the Commission.

The proposal is accepted.

I call Mr Spicer on a point of order.

Mr Spicer. — I do feel, Sir, that the way in which this House is conducting its affairs at the moment is very strange indeed. We have a Commissioner with other responsibilities. He came to this House this afternoon prepared to make a brief statement on this point and that has been overruled. Sir, I make no further statement except that we should bear in mind that we work within a Community and not as an individual unit within that Community. If the Commissioner has other responsibilities which he has to fulfil, I, personally, would respect those as being in the interests of the Community and not only in the interests of this House. But the one is equal to the other and therefore I deplore this, Sir, and I hope that in other circumstances we shall consider the Commissioner's point of view and his other duties within the Community as well.

President. — I will agree that we must take account of the Commissioner's responsibilities. However, I would ask you take account also of my duty to ensure the business of this House proceeds correctly.

I call Mr Gundelach.

Mr Gundelach, Vice-President of the Commission. — Mr President, I want to make it clear that the Commission did not ask for the floor in order to forward its own views, but only to try and help the House in full respect for the House. Secondly, Mr President, naturally the Commission has always abided by whatever decisions this House has taken concerning its agenda. As far as I am personally concerned, unfortunately I have to tell the House that I cannot stay for a later debate, because I have to negotiate on behalf of the Community with the ACP countries. I only intended to make a two-minute statement.

(Cries of 'Hear, hear!')

That two-minute statement will then be made when it suits the House by one of my colleagues on my behalf.

President. — I call Mr Pisoni on a point of order.

Mr Pisoni. — *(I).* — Mr President, if we add up the time taken in this House to decide what matters should be dealt with, we shall find that this amounts to half the time available. This is a sorry state of affairs for a Parliament. I would ask you to consider whether this is not a case for making changes in the Rules of Procedure so as to avoid all these discussions.

Once an agenda has been drawn up, we should stick to it. Both the Commission and the Council must also fit in with this agenda. Otherwise everything breaks down in confusion.

President. — I quite agree.

7. Protection of human rights

President. — The next item on the agenda is the joint debate on:

— the Oral Question with debate (Doc. 23/77) by Mr Alfred Bertrand, on behalf of the Christian Democratic Group to the Commission and the Council of the European Communities, and to the Foreign Ministers of the nine Member States of the European Community meeting in political cooperation, on the protection of human rights throughout the world:

In the declaration on European identity by the Conference of Heads of State or Government on 14/15 December 1973 in Copenhagen, respect for human rights was recognized as a cornerstone of the European identity. According to this declaration, the development of relations with other countries must respect the principles of the United Nations Charter based on international justice and with the aim of increasing the security of each individual citizen.

Faced with an alarming increase in the lack of respect for human rights and in the violation of the fundamental rights of the citizens of a great many countries, the Community must contribute, both within its frontiers and beyond, towards greater protection of these principles which is the common basis of the European cultural heritage.

For these reasons, the Christian-Democratic Group wishes to ask the following questions:

1. Are the nine countries of the Community ready to undertake new joint initiatives to safeguard rights and protect the citizens of every country against abuses practised by any public authority so as to improve the situation of oppressed men and women throughout the world?
2. If so, by what measures do they propose to achieve this objective? Within which international institutions and conferences will they endeavour to carry out this task, and how will they jointly impose sanctions when violations occur, without reference to the adherence of the country concerned to a particular political bloc or to the scale of economic and trade relations with that country?
3. Are the countries of the Community and the Community itself prepared to recognize the primacy of the principle of the protection of human rights over that non-interference in the internal affairs of a State, and what will they do to put this principle into practice?

— the Oral Question with debate (Doc. 69/77) by Mr Fellermaier, on behalf of the Socialist Group to the Foreign Ministers of the nine Member States

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of the European Community meeting in political cooperation, on the protection of human rights in Europe :

The European Community officially took part in the work of the Conference on Security and Cooperation in Europe and in the signing of the Final Act of Helsinki, thereby assuming a particular responsibility for the protection of human rights in Europe. In addition, the signatory states undertook to respect the dignity of man and his basic rights.

Are the foreign ministers therefore prepared to :

- ascertain in which signatory states human rights have been violated since the signing of the Final Act of Helsinki ;
- raise any violations shown to have occurred at the next Conference in Belgrade and insist that they be brought to an end ?
- the report (Doc. 89/77) drawn up by Mr Russell Johnston on behalf of the Political Affairs Committee, on the protection and defence of human rights.

I call Mr Bertrand.

Mr A. Bertrand. — (NL) Mr President, the Christian Democratic Group has taken the initiative of tabling this Oral Question with debate in order thereby to initiate a dialogue on the subject of violations of human rights in the world. The underlying consideration here was our concern for the respect of human dignity, which forms the basis of our Christian and social doctrine and indeed the foundation of our whole democratic system. At the same time we are firmly convinced that respect for human rights is an essential condition for safeguarding peace and international cooperation in all possible fields.

Our question is thus concerned with the defence of human rights throughout the world and not only within the framework of the Helsinki Agreement, which Mr Fellermaier will be discussing in a moment. We wanted to put our question in worldwide terms because we observe that never in human history have violence, persecution and disregard for the dignity of man been so widespread as is the case today. If we look at the reports of Amnesty International — an organization that is widely known for its untiring efforts in recording violations of human rights — we are reminded that this organization has declared 1977 the year of political prisoners. After thorough investigation this same organization has established that in 1975 and 1976 human rights were being violated continually in 113 countries of the world, that in 60 of these 113 countries torture is practiced on political prisoners, arrests are made without any court order, opponents are eliminated without trace and even awkward witnesses of certain arrests are similarly

disposed of. Amnesty International estimates that at this moment throughout the world 500 000 political prisoners are deprived of their freedom in varying circumstances.

That gives a rough idea of the sad situation we are faced with at a time when we are about to celebrate, in 1978, the 30th anniversary of the solemn Declaration of Human Rights which was signed in Paris on 10 December 1948. I therefore think that this debate is being held at a crucial moment, with mounting protests in all countries and the growth of various movements which oppose the continued disregard for the dignity of the individual. If we look at the worldwide situation, we shall see that human rights are at present being trampled on the world over and that there are only a few democratic countries — including, I am glad to say, the nine countries of the Community — where human rights are respected as defined in the United Nations' Universal Declaration on Human Rights of 1948. Even in large parts of our European continent there is disregard for the elementary and fundamental human rights.

I have had a study made of what is happening in the world at the moment with regard to the violation of human rights. Africa is deeply divided by national and ideological rivalries ; in a large number of African states internal unrest, tribal feuds and a constant state of civil war are the order of the day. In South Africa a racist regime is being kept in power that throws thousands of people into prison by virtue of so-called security measures. In Rhodesia a white minority is imposing its will on the great majority of the population, and since 11 November 1965 purely political offences have been punishable by death. Sentencing *in camera* is a daily occurrence ; more than a thousand people are in prison without any form of court order. Here too serious violations of human rights are being committed.

Reports reach us from Ethiopia of the murder of hundreds of students. They are said to have been shot down on the street simply because they had demonstrated against the present regime. Moreover, thousands more students and trade union members have been arrested, while the country's leaders are signing contracts with the Soviet Union in order to be able, despite the people's reactions, to keep certain situations under control at the purely political levy. In Ghana large numbers of political prisoners are being subjected to brutal and violent maltreatment, while in Rwanda there is an outright reign of terror about which we maintain a silence that almost verges on criminality if we consider that whole tribes are being exterminated for their religious beliefs or because they do not agree with what is happening in the country politically.

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As to the situation in Asia, on which information is harder to come by than on the African continent, I can only say that here too, according to the information available, there is scant respect for human rights, which in many cases are simply ignored. In Indonesia there are said to be some 50 to 100 thousand political prisoners. These people are deported, separated from their families and taken to an island 2 000 km from Djakarta where conditions are so bad that their chances of survival can only be described as precarious. In addition, tens of thousands of others are being deprived of their livelihood on account of their membership of a particular party. The number of political prisoners in Iran is put at 25 to 70 thousand; they are rounded up in police raids in the most ruthless fashion because they refuse to recognize the legitimacy of the political regime in their country. Reports from Cambodia are indeed difficult to check, but they too seem to indicate that tens of thousands of people in that country have been murdered, imprisoned or dispossessed because their religious or political beliefs make them unacceptable to those at present in power.

In the Philippines there has been a state of emergency since 1972. It is estimated that since then more than 50 000 people have been jailed in the Philippines for purely political reasons. In this country there is no longer any distinction made between political prisoners and common criminals. Those who are under suspicion politically, however, are specially guarded and subjected to certain treatment from which thousands have died.

In South America the situation is not much better. In Guatemala, for instance, a large number of political murders have been committed recently. The suspects are generally taken away by armed troops without any reason or explanation. The victims very often return after a few weeks as cripples, with parts of their limbs missing. The majority of these people are simple farmers, smallholders and agricultural workers. The large number of disappearances in this country is really the most flagrant contradiction of elementary rights and human dignity.

There is a similar situation in Paraguay. Of the countries of South America, this is the one that has cut itself off most as regards information to the outside world. Nonetheless, we know that the regime of General Alfredo Stroesner wants to be regarded as legitimate. Here too, however, the number of political prisoners runs into thousands. The Church is being persecuted. The bishops have protested — the members of the Christian people's party are the most threatened. And in Paraguay there are also prison camps for political prisoners where torture is an everyday occurrence.

In Brazil a similar ghastly process seems at present to be under way. We had hoped that this country would

remain an exception on the South American continent, but now we find that more than 800 people are under arrest for their political beliefs. Recently there have been a large number of police raids; throughout the country people have been arrested and tortured, so that in Brazil too there is no longer respect for human rights.

Argentina is living under a ruthless dictatorship and since 24 March 1976 the country has been crushed under a succession of arrests, torture and executions. There are now reckoned to be more than 1 000 guerrillas, more than 2 500 missing persons and more than 6 000 people in various sorts of prison for political reasons.

On Chile I do not need to say much. We adopted a resolution on this country last year. Here too the number of Political prisoners is put at between five and six thousand and the state of emergency declared at the beginning of last year is such that all freedom movements in the country have been neutralized. And it is not only in Chile that Chileans are threatened; the secret police, the DINA, does not hesitate to eliminate prominent Chileans abroad as well; just think of the murder of Orlando Letelier on the streets of Washington. Just think of the attack on another prominent Christian-Democratic leader in Rome, of the prison camps, the torture centres and so on. There has been such an increase in atrocities and terror in Chile that one really begins to wonder with horror how much further it is possible to go in this direction.

In Haiti it is just the same. It is reckoned that there are 3 000 people imprisoned there. In Haiti it is primarily the Christian trade union leaders and active union members who are murdered or tortured. The situation there is permanently outside the rule of law, since there is no such thing as a warrant of arrest and the police can arrest at will those they wish to get rid of.

And then there is Europe. We can see what is happening in Eastern Europe. I am thinking, for example, of the treatment of Jews in the Soviet Union. These people are subject to all kinds of restrictions on account of their religious beliefs, i.e. for matters of conscience. They do not have the freedom to leave the country. I hardly need name Vladimir Bukovsky, Semyor Gluzman, Sergei Kovalyov, Andrei Tverdochlebov, Sacharov, Amalrik and so many more who have recently caught the public interest. Russia does not respect the solemn undertakings laid down in the Final Act of Helsinki which it signed in 1975. We shall shortly be dealing again with the Final Act of Helsinki when we discuss the coming Belgrade conference.

Just think too of Charta 77 in Prague and all the reactions it has aroused. Just think of what is happening in the German Democratic Republic, along the Berlin wall. It is an eternal reproach to European culture that

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human freedom can be violated in this way, that people can be exiled and families torn apart.

Considering all this it is no wonder that we feel obliged to ask the competent authorities in the European Community what their attitude is, whether they are aware of all these facts, or whether they are acting as if they knew nothing about it. That is the reason for our questions. At any rate we want to have this point explained. We must after all realize that we have a general responsibility. We therefore put the following three questions to the Council and the Commission: are the nine countries of the Community prepared to develop new Community initiatives for safeguarding human rights and protecting citizens, in whatever country, against abuses committed by the organs of the State, with a view to achieving some improvement in the position of the oppressed men and women of the world?

If the Nine are prepared to do this, can they then tell us what measures they envisage to achieve this aim? Through what international organizations and conferences do they propose to make a start?

Are the countries of the Community and the Community itself capable of appreciating that the principle of protecting human rights takes precedence over that of non-intervention in the internal affairs of another State?

Mr President, I do not wish to dwell on the American President's declaration. That can be left for another time. I just want to appeal to the governments responsible and the competent Community institutions in the hope of hearing from them what action they are going to take with regard to these inhuman and intolerable circumstances.

(Applause)

President. — I call Mr Sieglerschmidt.

Mr Sieglerschmidt. — *(D)* Mr President, ladies and gentlemen, anyone who wants to talk about violations of human rights by others should first remember the old English proverb 'Charity begins at home'. In our own countries, human rights are not entirely immune from violation. The mirror that we should like to hold up to others does not stand out from its surroundings by its radiance but — and this we just have to admit — has darker patches here and there. However, I should like to make one thing quite clear in this context. There are quantitative differences between violations of human rights in some parts of the world, such as were described just now, and what I am talking about. These differences must not be played down, they must not be made a question of relative values so that finally — to quote a well-known proverb — in the dark all cats are grey, they must be clearly brought out. Nonetheless, the protection of human rights — and this means maximum protection

of human rights — is and always will be a constant task in our countries too.

If we accept this we shall avoid the danger of misusing the struggle for human rights as a weapon in the political arena. That, Mr President, is a real danger, as can be seen on both sides, and we should remember this particularly as the Belgrade conference approaches. For there always remains the danger that the accusations we make against others are only a kind of moral self-indulgence — that we pass resolutions, issue declarations and then think all is well. No, all is far from well, unless people are actually helped thereby.

Mr President, there are no patent remedies here. We can only decide case by case what particular means are likely to be most successful, what is the right moment, what bodies or individuals are best able to intervene in this or that case. When, after a hard struggle, we succeeded in getting the clauses on the respect of human rights and basic freedoms — including the freedom of ideas, the freedom of conscience and the freedom of religion and belief — included in the Final Act of Helsinki, many people thought that these would remain so many empty phrases, like the United Nations' Universal Declaration of Human Rights. There were also surely many in this House who took that sceptical view. Things have turned out quite differently. The Final Act of Helsinki has become the Charter of the human rights movements. That is one result of the policy of détente, which would not have been possible without Helsinki.

Ladies and gentlemen, I think it is important to see this connection when talking about the follow-up to Helsinki and Belgrade.

In the question tabled by the Socialist Group, on whose behalf I am speaking, we should like to be assured that our representatives in Belgrade are prepared for a stocktaking on this question of human rights as well. We want this subject and other declarations of intent to be discussed without any pussy-footing or equivocation.

The human rights movements with which we are concerned here, ladies and gentlemen, must be assured that all democrats in our countries are solidly behind them, that we are not leaving them to stand alone. Making this clear, however, will in the first instance be a matter for social groups, the mass media and individual politicians. We must not mince our words here. On the other hand, we must recognize that any attempt to exert massive pressure and make angry accusations through governments or parliaments could be used as an excuse for denouncing the human rights movements as agents of Western imperialism and persecuting them even more than before with the machinery of the police state.

Sieglerschmidt

I should like to turn now, Mr President to certain aspects of the Oral Question tabled by the honourable members of the Christian-Democratic group. I have some questions to which I should like an answer, partly from the authors of this question, but naturally also from the Commission or the Council, if they feel it appropriate.

Firstly, what does the Christian Democratic group expect to achieve by sanctions? We must, after all, remember that it has so far not even been possible to take joint action against countries which offer shelter to international terrorists. I wonder, therefore, how it is hoped to impose sanctions for internal violations of human rights in particular states. The question then goes on to suggest that sanctions should be imposed without reference to the adherence of the country concerned to a particular political bloc.

Now I recall that even President Carter with his strong commitment to human rights has admitted that in certain circumstances security considerations can be more important than the violation of human rights in this or that country. I would remind you of what has been said in this context about South Korea or the Philippines, for instance. I thus wonder whether, with the best will in the world, this is a realistic proposition. We cannot make our political, military and economic relations depend on whether or not human rights are being violated by our particular partners. That would spell the end of any foreign policy.

Mr President, this is not to plead for a cynical Machiavellianism, it is simply a matter of recognizing the limits of our freedom of action in the field of human rights if we really want to help those concerned. In this connection I should like to point out particularly that no-one is helped by virtually inviting a government to abolish itself and commit suicide. Let me illustrate this with reference to a case with which I am particularly familiar, namely the question of freedom of movement in my own country, the Federal Republic of Germany, between the GDR on the one hand and Berlin and the Federal Republic on the other. We had here two petitions from citizens of the GDR who addressed appeals for exit permits to the European Parliament — I think, Mr President, that we shall be returning to this question later. In the Legal Affairs Committee I said this:

Unfortunately this is the harsh everyday reality, and we must ask ourselves whether an appeal from this Parliament can induce the Government there to do away with the Wall — for that is ultimately what it would mean — whether it is not far better to follow the path taken by the Federal Government last year and, by hard bargaining in individual cases, make it possible for individuals to leave the country.

Finally we should not forget that there are countries where the citizens are primarily interested less in press freedom than in freedom from hunger and bitter poverty. Our commitment to the cause of human rights in these countries is also a question of solidarity with them, for in showing our solidarity we are protecting human rights in these countries, and in this context, Mr President, I should like to mention that we had here in this House in Strasbourg two senators from Uruguay who described for us the terrible situation in their country, which is probably at the moment even worse than the position in Chile — and this in a country that has shown that democracy can certainly work there. We as a Parliament should make every effort and do everything that is practicable to combat these appalling conditions in Uruguay, which include not only the imprisonment of 6 000 people but also torture of the most terrible kind.

The rapporteur, Mr Johnston, has attempted to combine in one motion the gist of the four groups' motion for a resolution and that of the Socialist Group. I should like to congratulate him on having succeeded in finding a common denominator for the very diverse emphases in the two motions. Mr President, I am very pleased about this because I think that the cause of human rights will benefit if this Parliament can agree on a single resolution that everyone can support with a clear conscience.

I should just like briefly to point out a few aspects of this motion for a resolution. The first concerns point 2 (b), which draws attention to the link between a policy of détente and the protection of human rights. I think it is of great importance to realize that the policy of détente, insofar as it concerns the maintenance and safeguarding of world peace, has absolute priority, and that we must pursue this policy even if we can do nothing thereby to protect human rights. However, it is equally clear — because that is the way things are — that only by continuing the policy of détente have we a chance to further the cause of human rights in all countries.

A second remark on point 2 (c) — I shall finish right away, Mr President — which refers to the opportunities for taking action in defence of human rights. That is quite right — there too we should try everything possible. We should merely, Mr President, be aware of the limits imposed in an institution in which the majority — I should say the great majority — of the Member States are states in which more or less serious violations of human rights are practised.

Finally, I should like to announce that we are going to submit an amendment to point 2 (d), which we shall come back to later.

Mr President, ladies and gentlemen, the protection of human rights should be a matter close to the heart of every politician in our countries, but the implementa-

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tion of human rights at home and throughout the world remains a matter for sober and persistent endeavour in individual operations both behind the scenes and in public, and also in the context of developing political partnership among the countries of the world.

(Applause).

President. — I call Mr Johnston.

Mr Johnston, rapporteur. — Mr President, I hope that the House will not think it presumptuous of me if I begin by saying that I regard this debate as being of much more than routine importance. Our thanks are due to the Socialist Group, which tabled a motion for a resolution on this subject, to the Christian Democratic Group, the Group of European Progressive Democrats, and to the Conservative Group and my own Liberal and Democratic Group, which jointly tabled another motion on the same subject.

I think it is striking that five out of the six groups in this Parliament are able to share a view on the importance of this question and even more encouraging that the bad old days when the Left tended to protest only against the atrocities of right-wing dictatorships, and the Right tended to protest only against the crimes of the Communist dictatorships, seem almost over. At last the democratic forces of the Community are coming to realise that on this question the division is not between progressives and conservatives, radicals and moderates, but between those who respect the dignity of human beings and those who degrade themselves even more than their victims by condoning persecution, in both gross and petty forms, unjust imprisonment, torture and murder.

This debate marks a significant shift away from the evasions and double standards which, ever since the Russian Revolution, have plagued the campaign for human rights in the Western world. Today, suitably enough in Strasbourg, where the European Court of Human Rights sits, and does its great work, democratic politicians are uniting to insist that the ideals by which our civilization is inspired are indivisible. We are saying that it is not the identity of the criminal, nor of the victim, but the fact of persecution, pursued as a policy, which is our concern. In taking this position we are true to our best traditions.

Since we are in France, Mr President, it is perhaps appropriate to recall the debate in the National Assembly soon after the fall of Robespierre. A minister was proposing draconian measures against enemies of the Republic, there were protests and calls for justice. The minister replied: yes, justice for citizens; for aristocrats — terror! Then, it is recorded that a great cry rose up from all parts of the Assembly: *La justice pour tout le monde!* I think

that this is the spirit in which this House, as the guardian and promoter of the democratic European Community, approaches this problem.

It is to the credit of Italian and other communists in the Community that they have of late and to some extent voiced criticisms of communist crimes. I hope, Mr President, that this House will not think me unduly partisan if I say that we would find these protests more convincing if the Communist Group was able to associate itself whole-heartedly with these motions for resolutions.

We are used, Mr President, to talking of the Third World in terms of economic and diplomatic position, but we should realise that the world is also divided into three by political systems. Roughly one third of the world's population lives under communist rule, which, while varying in the degree of oppression, is always based on a denial of fundamental human rights. In none of these countries, Mr President, is there freedom of speech, the independence of the judiciary, free elections, free trade unions, a free press, free universities. In all of them, men and women suffer in their bodies, or at best in their careers, if they voice criticisms of the government, practice religious observance or express their artistic gifts in a way disapproved of by official orthodoxy.

Then there is the third of the world's people who are misgoverned by some other form of dictatorship — military, racial, tribal, fascist, or a combination of any or all of these. Again the degree of atrocity varies, but as Mr Bertrand noted in his speech, Amnesty International have, on the basis of very careful research, declared that in something between 60 and 70 states, torture is an habitual method of authority. That is a depressing thought.

Then there is the happier third of the world, of which this Community is part, where basic human rights are protected by law and by public opinion, albeit imperfectly. But it is a gloomy and sordid fact that 32 years after the fall of Nazism and nearly a quarter of a century after the death of Stalin, the kind of filthy apparatus which the Gestapo and the OGPU used to murder and torture millions is in use in many, even in most, member states of the United Nations, which have signed the Universal Declaration of Human Rights.

Still there are grounds for hope. Hypocrisy is the tribute vice pays to virtue, and today nearly all the criminals in power, from Cambodia to Chile, deny their crimes and proclaim their belief in democracy and justice. They are ashamed. They know that there are peoples who aspire to something better. Today, and this is a real advance, tyranny has an inferiority complex. It is recognized as form of underdevelopment.

Johnston

Here I would take the opportunity of insisting that it is part of our duty to expose the falsity of the assertion that liberty is the luxury of the rich. No doubt it is true that a starving man does not care greatly about the ballot paper. It is equally true that the persecuted, hunted man is not going to be interested in economic development. We were all of us economically backward once, and it is matter of history that the political development of the West always accompanied, and usually preceded, our economic development. If that is doubted, let us recall that the mediaeval Swiss, the Dutch, the Scandinavians, the Pilgrim Fathers of New England, were all poor. My own country of Scotland has a long tradition of deep respect for education and love of democracy, founded in large measure upon the achievements of what was referred to as the 'lad o' pairs' — the lad of parts — whose poverty spurred achievement, a rejection of despotism and a love of freedom. All their prosperity followed the establishment of their free systems of government.

In modern times the astonishing industrial success of Germany, like the economic prowess of Victorian Britain, has been based on the parliamentary state. It is the United States and not the Soviet Union — which has even larger natural resources, bear in mind — that is the leading economic power of the world. Prosperity may support democracy, but freedom promotes economic progress. And if, therefore, the Community expresses its concern to its co-signatories of the Lomé Convention about abuses of human rights, it is not asking them to put unattainable ideals before bread. It is asking them, in their own interests, to recognize the interaction between respect for the rights of the individual and the productivity of that individual. Gangsters like Amin preside not only over the dishonour, but also over the economic devastation of their countries. Nearly half a century after forced collectivization and the massacre of the kulaks, Soviet agriculture has still not recovered.

I come now, Mr President, to the detailed points of the resolution. There can be no doubt, unfortunately, that there has recently been an increase in the scale of violations of human rights. True, we are not yet back in the evil days of the 30s and the 40s. There have been great improvements in Greece, in Spain, in Portugal, and a determined repudiation of authoritarianism in India, which, I may remind the House, contains a population much larger than those of Africa and Latin America combined. But the ferocity and spread of oppression on those two continents, its persistence in all the Communist countries, sadly even including Yugoslavia, and the establishment of despotisms in much of the rest of Asia gives ample cause, I would argue, for profound concern.

I have already mentioned the clear, even axiomatic duty of this House in these matters as a guardian of fundamental freedoms. The resolution then recites the

commitments, so often dishonoured but still on the record, to which Member States and all other European countries are pledged. It recalls in particular some parts of the Final Act at Helsinki and stresses how valuable they have been to the victims of persecution in Europe. We should encourage ourselves with that. At the Downing Street meetings last weekend the Chancellor of the Federal Republic of Germany, Mr Schmidt, was able to point out that, by using that agreement, some 60 000 persons of German origin have managed, to use Lenin's phrase, to 'vote with their feet' and have left the Soviet Union and other Communist countries for the security of German democracy. I know that there are still all too many tragic cases, which again Mr Bertrand referred to, of families divided by the Iron Curtain and the Berlin Wall, and I say to the members of the Communist Group, who may contribute later on: how it is possible ever to justify not protesting where families are divided and loved ones held apart from one another, I fail totally to comprehend. One knows that these cases exist. My colleague, Martin Bangemann, has rightly drawn attention to them, but if they have done nothing else, the human rights provisions at Helsinki would have been fully justified by the fact of these 60 000 people. In fact, of course, it is not only those of German origin who have benefited. Many Jews, for instance, have been helped to reach Israel or other free countries, by appealing to the Final Act at Helsinki. And provided we maintain the pressure, many more people can be helped in this way.

For the lesson of the last few years is that we are not powerless to come to the aid of the oppressed, even if they are the subjects of a superpower. The Soviet Union wants the contents of Basket Two. We can insist on getting the goods in Basket Three and in doing so we need have no fear of upsetting Basket One. Here I am glad to be in a position of agreeing with the Socialist leaders of Southern Europe who have just met in Madrid. As Mr Mitterrand pointed out there, détente is not damaged by insisting that the governments of Eastern Europe honour their undertakings. On the contrary, détente — the genuine relaxation of tension — requires the growth of confidence. Confidence will not grow if undertakings are violated. That is the point made in paragraph 2 (b) of the resolution. It strengthens the demand made in paragraph 2 (a) where we call on the foreign ministers in particular to concert their positions at Belgrade. The Helsinki Conference was a notable success for the cooperation of the foreign ministers of the Nine. That success can and should be repeated in Belgrade. But that will require careful preparation. The details of violations of human rights will have to be collected. A detailed dossier, rather than a generalized plea, is what is needed, as Lord Bethell, who has worked so hard on these questions, pointed out in this House some months ago.

Johnston

In paragraph 2(c) we call on the Community to extend its action on behalf of human rights to other areas and arenas and notably to the United Nations. There we can and must demonstrate that we are equally opposed to the oppression of apartheid, the reign of terror in Argentina, the sustained cruelties in Indonesia, to give only a few examples of non-Communist oppression. President Carter, I believe, has set an admirable example in cutting off military assistance to some of the most vicious of the Latin American dictatorships. I hope that the governments of Member States, including my own, will follow his example in their relations with the worst of African regimes, such as those of Uganda and the Central African Republic. In this connection we should all welcome President Giscard d'Estaing's call for the ending of all military cooperation with South Africa. We know of course, Mr President, that a majority in the United Nations is frequently one-sided in its debates on these matters. That is all the more reason for vigorous Community action to expose the truth in all its brutality. No doubt we shall pay a price for criticizing racial persecution by Africans and Arabs, as well as by white people. Certainly if we call on others to raise their standards, there will be many eager to catch us in the act of transgressing our own principles. But that is the price which as democrats, jealous of our own good name, we should be prepared to pay.

One of the advantages of the kind of sustained campaign for which this resolution calls, is that it will educate our own electorates in the importance of freedoms which they are all too prone to take for granted. Part of that education must be to show that the diplomatic dogma that these are matters of purely domestic concern is obsolete, which is the relevance of paragraph 2(d). The very fact that this debate is taking place, that Member States have ratified the European Convention on Human Rights with its real, if severely restricted supranational power, and that these questions are the subject of the cooperation and concern of many of our citizens acting together across the frontiers within the Community and with citizens of other democracies is proof of its obsolescence.

Of course, Mr President, the bureaucracies of our respective foreign offices will contain many who will resist this idea. Bureaucracies are after all not the most formidable practitioners of self-criticism, nor among the most observant in detecting anachronisms. But we, as parliamentarians, have an interest and a duty in defending and seeking to extend the liberties which alone guarantee our existence. Next year we are going to be elected together. Already our states are acting together in many important negotiations with other countries. It will be ironic indeed if we do not develop our cooperation in these matters, from which the whole concept of a European Community and a parliamentary democracy derives. This resolution is only a

modest step forward. We are still at the very beginning of a long and arduous journey. But by passing it, this House will tell the world that we intend that our Community accepts this responsibility to defend, to enhance and to extend the rights of man.

(Applause)

President. — I call Mr Tomlinson.

Mr Tomlinson, *President-in-Office of the Council and Foreign Affairs Ministers meeting in political cooperation.* — Mr President, I will answer Mr Bertrand's question first. Speaking on behalf of the Council, I can say that the Community has affirmed the importance it attaches to the protection of fundamental rights. In this connection, the European Parliament, the Council and the Commission adopted a joint declaration on the matter which was signed on 5th April 1977. In that declaration they stressed the prime importance they attach to the protection of fundamental rights. They also stated that in the exercise of their powers and in pursuit of the aims of the European Communities, they respect and will continue to respect those rights.

Speaking in the context of political cooperation, the Nine are wholly committed to the principle of respect for human rights and have recognized this principle as a fundamental element of the European identity. Their commitment to it is exemplified by the protection afforded to the individual within the countries of the Nine by the nexus of law, constitution and democratic political and social order, as well as by the adherence of each government to the European Convention on Human Rights and by their allegiance to the principles of the Universal Declaration of Human Rights.

Citizens of Member States of the Community attach great importance to the enjoyment of human rights and fundamental freedoms and rightly expect the Nine to promote internationally standards similar to those that have been achieved in their own countries. This the Nine constantly strive to do by every possible means. There are regular and detailed consultations in the political cooperation machinery of the Nine on the tactics and substance of their approach to the international protection of human rights through United Nations machinery, other multinational mechanisms and bilateral relations. Nor were the concerns of European society expressed only through governments. The Nine paid tribute to the invaluable role of non-governmental organizations in this field. The United Nations has made substantial progress in defining and codifying human rights, notably in instruments such as the Universal Declaration of Human Rights, the international covenants on human rights and of the convention to eliminate all forms of racial discrimination.

Although work of a normative kind precedes in a number of key areas, there is now a need for a new

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emphasis on the application of standards to particular situations and on the effective implementation of existing international instruments. It is unfortunate that the international community as a whole has not shown itself ready to adopt many of the ideas supported by the Nine and by like-minded countries that would have had such practical effects. For example the proposal to establish a high commissioner for human rights, who in the first place would render advice, assistance and good offices, but the full potential of whose position would only become apparent in due course, has not yet won approbation by the majority. The procedure established by ECOSOC Resolution No. 1503 for considering complaints that establish a *prima facie* case of a consistent pattern of gross violation of human rights has yet to prove effective. Efforts to combat torture, an area of particular concern to the Nine, are making progress, but more slowly than the prevalence of an abhorrent practice demands.

It is particularly important, Mr President, that the United Nations Commission on Human Rights should show itself equal to the challenges confronting it, and we hope that the recently formed Committee on Human Rights, which began its work of implementing the United Nations covenant on civil and political rights early this year, will live up to our expectations. The Nine will continue to press for improvement in these and other areas, but it is misleading to think that particular measures or initiatives can produce easy answers. The views of the Nine can also prevail by their seeking with persistence and insistence to create a climate of international opinion that will make violations of human rights politically and socially unacceptable.

The moral imperative that informs the Nine's multilateral activity on human rights issues, demands a policy that is at once idealistic, vigilant and practical. The Nine believe that violations of human rights should be judged by the same standards wherever they occur, irrespective of the political complexion or orientation of the country or countries involved. At the same time, they realize that in order to uphold these rights most effectively in a world where economic and political relations are increasingly complex and interdependent initiatives on particular issues must be carefully measured in order to ensure that any action taken is in the best interests of those whose rights are violated. The Nine, jointly or severally, can and do help in particular cases by exerting pressure in a confidential way through diplomatic channels. The maintenance of diplomatic relations or contacts can provide a useful channel through which such influence can be exerted without in any way constituting an endorsement of the policies of the governments concerned. The Nine, in furtherance of their general concern to promote respect for human rights, will

continue to avail themselves of opportunities open to them to continue this valuable, but necessarily quiet activity.

Articles 55 and 56 of the Charter of the United Nations required the promotion of universal respect for and observance of human rights and fundamental freedoms, and member governments are pledged to cooperate with the United Nations towards that end. The Nine consider that persistent breaches by member governments of their obligations are a matter for examination by the United Nations. These provisions of the Charter, together with other international instruments such as the declaration and covenants on human rights, demonstrate beyond any possible doubt that abuses of human rights wherever they occur, are the legitimate subjects of international concern.

Mr President, turning now to Mr Fellermaier's question, may I say that the Nine are fully agreed on the need to maintain a continuing watch on the implementation of all provisions of the Final Act, including those relating to human rights and fundamental freedoms, in preparation for the forthcoming Belgrade meeting of the Conference on Security and Cooperation in Europe. It remains the basic aim of the Nine, as the CSCE process continues, to encourage all signatory states to take action where necessary, to bring their practices into line with the provisions of the Final Act.

Mr President, those provisions of the Final Act relating to human rights and fundamental freedoms are of great importance to Member States, since they are concerned that *détente* cannot be regarded as a matter of inter-state relations, but must also be reflected in the daily lives of the people of both East and West. The Nine remain determined to encourage the freer movement of people, the free exchange of ideas and the respect for human rights which are the prerequisite for a satisfactory development of the *détente* process. They naturally expect all the States participating in the CSCE to honour their commitments in respect, both of the Universal Declaration of Human Rights and of the Final Act. The Belgrade meeting which is due to begin in the autumn of this year will provide an opportunity for a thorough exchange of views on the extent to which the provisions of the Final Act have been implemented. The Nine, Mr President will play a full part in this process, and will not hesitate to state their views frankly where they consider the performance in any field to have been unsatisfactory.

Mr President, if I may now turn to the motion for a resolution introduced by Mr Johnston, who made what I may say was an excellent speech in this debate. I welcome this motion as yet another demonstration of the European Parliament's profound concern for human rights, and I should like, Mr President, just to be allowed to make one or two comments on it. With

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regard to the Belgrade review conference, it is of course, only the preparatory meeting which will be held in June. Since this will not be concerned with the substance, it might therefore be better to refer to the meeting which will take place in the autumn of this year, rather than that which takes place in June. The motion also refers to the principle established in Helsinki — a formula which covers only basket 1. Since I am sure that Parliament's interest is far wider than this, I suggest that it would be useful to substitute the words 'the provisions of the Final Act'.

The human rights provisions of the Final Act are, to a large extent, the result of the determination and successful cooperation of governments of the Nine, as well as of other Western governments. Our concern, Mr President, in this area, has been reinforced by the increased interest of public opinion in other countries. Planning amongst the Nine for Belgrade is already well advanced, and there is general agreement that its main purpose — a thorough review of the implementation of the provisions of the Final Act — should be both complete and frank. At the same time, however, I believe we must be careful to avoid polemics and confrontation which could damage détente and human rights in Europe. I naturally regret that the resolution does not also mention the international covenants on Human Rights, the entry into force of which early last year is regarded by the United Kingdom as a major step forward in the field of human rights.

In conclusion, Mr President, may I say that I particularly welcome paragraph 2(c) of the motion. The Nine would agree that the creation of a strong climate of world opinion against violations of human rights is one of the most valuable ways of inhibiting them. This motion and this debate with its clear declaration of solidarity with the victims of the violation of human rights will help to create that climate.

(Applause)

President. — I call Sir Geoffrey de Freitas on a point of order.

Sir Geoffrey de Freitas. — Last month, Mr President, I had down a question to the Council on human rights and the Lomé Convention. During the part-session in April I was notified that my question would not be called because the whole subject of human rights would be debated during the week. As a result of procedural problems this was not possible; we did not debate it. I arranged for my question to be put during the debate if it was held. Now it is not being held and I wonder if I could put my question now to the Council for answer — not immediately of course — but during the course of this afternoon:

Will the Council ask the Commission, when negotiating the revised Lomé Convention, to take into consideration the observance of human rights?

The Commission have already replied to me, explaining that they could not initiate this unless they were asked to do so by the Council.

President. — We shall therefore ask the Council to give you a reply after the statement by the Commission.

I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — *(D)* Mr President, ladies and gentlemen, on several occasions in the past few years we have had special reason to discuss in this House the question of human rights, and we have always, in the most varied circumstances, found that we were unanimous in our concern about the suppression of human rights and in condemning these practices. At the same time we have always emphasized that there is no patent remedy for solving this problem throughout the world as if by magic and that we must consider each case individually, with great caution and with regard to the results for the people concerned. I should like to start today by making the following points.

It seems to me that we can do little for human rights with abstract initiatives and that general resolutions do not get us anywhere if they are only on paper. What is essential is to take concrete steps to see that human rights are respected, and to do this wherever possible and wherever there is even the slightest chance of success.

Furthermore, we in this Community should realize that our efforts, our steps to protect these human rights, are all the more successful the more the nine Member States of this Community act together and present a common front, even though this is not provided for in the wording of the Treaty but is necessary politically and for the sake of the end to be achieved.

I should now like to try and explain what measures we can take to this end, for as I said just now, paper resolutions may be important but are not decisive. A distinction must be made here with regard to questions which relate to political cooperation. The representative of the Council has just given a detailed account of this. We are concerned here mainly with what initiatives the European Communities as such can take. What opportunities do we have for *doing* something and not just making declarations? I see basically three approaches.

Firstly, taking human rights into account in the Community's policy on agreements. Secondly, taking human rights into account in unilateral foreign trade and aid measures. Thirdly, support for humanitarian organizations working for the implementation of human rights.

Haferkamp

With regard to the first category, namely taking human rights into account in our policy on agreements, we can see straight away that it is relatively easy to make declarations with a welter of 'considering that's' and 'having regard to's' etc., but that it is then rather more difficult to translate these into concrete action and policies. I shall thus start by asking a few questions.

Can and should the Community, for example, make the signing of agreements dependent in future on whether the partner States concerned have ratified the United Nations Declaration of Human Rights? That is one possibility. If you have any other criteria for the question of incorporating human rights into our relations with our partners, I should be grateful if you would tell me.

My next question is: to what extent is it possible, for example, to make provision in future agreements for a general human rights clause, which could perhaps refer to the United Nations Declaration of Human Rights? I think the fact that I ask this question shows you what a complex problem we have here, that there is no easy answer and we must weigh the political and legal considerations very carefully, and that the objective should be of sufficient importance for us to consider these questions and find concrete answers. I think this also gives an overall answer to the question of Lomé II.

Will you use your influence — here, at home, in your own parliaments and everywhere — to see that these questions receive a favourable answer? That is, there should be no agreement unless, for example, the conditions I have just mentioned are met. This is thus a highly complex matter to which we should give our attention, a major and decisive question to which we must try to find answers together. For the point is that we should not be defending vague, abstract principles, but ensuring that human rights are actually respected, that support is given to the implementation of human rights, and at the same time contributing to furthering international cooperation and world détente. I think it is also very important for us always to do that in the context of the current political situation. So much for my first remark on the Community's policy on agreements.

I should just like to comment here on what the Commission can do and what its task is under the Treaties, namely to make proposals, while the individual negotiating mandates are decided on by the Council — and there you in this House have some influence, and you have influence in the nine national parliaments. I think that on the basis of this debate and future debates you will have to make every effort if you are to follow a practical policy here and not stop at general declarations.

Now to the second question or consideration: to what extent can we take account of the human rights ques-

tion and the furtherance of human rights in the context of unilateral measures such as food aid, financial assistance and so on? Each year the Community grants food aid and financial assistance amounting to some hundreds of millions of units of account which are not dependent on any treaties. I think we should examine to what extent we can further the implementation of human rights in the world by means of such aid. We have already gained a certain amount of experience in connection with aid and cooperation; we put this into practice, for example, in suspending aid to Greece, and on the other hand — to give a positive example — we have taken certain steps to help democracy develop after the end of dictatorship in Greece and in Portugal. I just mention this in passing, but in view of everything we do in the world we must examine, in each individual case, what can be done to further the cause of human rights. Let me repeat once again that here, too, general principles do not get us very far, for it is quite possible that the withdrawal of assistance to a regime we disapprove of will only bring additional suffering to people living under this regime. This aspect must also be considered. This is a further dimension that we cannot simply pass over with theoretical discussions.

Finally I mentioned the possibility and the necessity of supporting humanitarian activities. We all know — and we greatly appreciate and admire this — the essential importance of many efforts in defence of human rights, which are often undertaken by a small number of highly committed organizations. I think that the activities of these organizations, which are not government bodies, deserve our full support, and the Community should examine whether it is possible for us to grant the material resources which would give these organizations a broader basis and widen their scope of action.

Mr President, ladies and gentlemen, discussing human rights is an important matter. Doing something to actually help people is even more important, but also more difficult, more complicated. That will become clear in each individual case. Ultimately, however, the decisive thing is that we should do something. The Commission is prepared to give priority to this in future, in the spirit of this debate, in conjunction with you and everyone, and in accordance with the declarations made here by the Council.

(Applause)

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

Mr Ajello. — *(I)* Mr President, this debate to which we have finally given birth after a somewhat difficult period of gestation nonetheless takes place at a very suitable moment, that is, just before the preparatory meeting in Belgrade.

Ajello

While it is true that only the preparatory work, and not the Conference proper begins on 15 June, Mr Tomlinson is too much of an expert in international affairs not to know that the preliminary phase is as important as the actual Conference stage itself. The character of many conferences is surely decided more at the preparatory than at any succeeding stage.

This is why the Socialist Group in its question appealed to the Final Act of Helsinki and the forthcoming conference in Belgrade, since it believed, and still believes that this would make the debate more specific. This is why it called for a recognition of the link between human rights, the Belgrade and Helsinki Conferences and the balanced reduction of conventional forces. However, our aim was only to give greater coherence and completeness to this debate, and the fact that our request was not granted does not greatly affect matters. We shall make the connection ourselves now.

It is very interesting to follow the vicissitudes of major international events, which have a way of developing differently from what their promoters intended. We should not forget that the Helsinki Conference was pushed by the Eastern bloc countries, and that the western countries were rather less enthusiastic. Similarly, there was a feeling at the Conference itself that it was the Soviet Union which was deriving most diplomatic and political benefit, with the acceptance of the inviolability of frontiers, and moreover in respect of what was called the '*droit de regard*', which to some extent was conceded to the Soviet Union *vis-à-vis* the Western world.

This item which we are discussing today, which is known as the Third Basket and which relates to the protection and respect of human rights, was added virtually as a *quid pro quo* for all the advantages gained by the Soviet Union. Yet slowly and steadily this item in the Final Act of Helsinki has gained in importance, particularly as elements emerged that nobody foresaw. Two of these seem to me of prime significance — firstly, the growth of dissent in line with the spread of knowledge of the contents of the Final Act of Helsinki, and secondly the phenomenon now universally known as 'Eurocommunism', which has combined with the birth of dissent to form an almost explosive mixture. This, on the one hand, has deprived the Soviet Union of what should have been the secular arm of its '*droit de regard*' exercise, and on the other has provided a picture of a communism, 'with a human face' as it were, a communism which declares openly that it wishes to operate within the rules of democracy and freedom, and indeed provides a political reference point for any dissidents who may be tempted to risk a new spring 'à la Prague'.

This combination has, in fact, complicated matters, even if in the debate which has followed, and which has involved the mass media, the criticisms have all

been one way, as if violations of human rights only ever occurred in the East and nowhere else.

I must say that I am extremely gratified to hear now an objective discussion in this Parliament; for the first time, or at least in contrast to previous practice, as Mr Johnston rightly pointed out, we have not turned this subject into a weapon of propaganda to attack one side or the other, but have accepted that these violations take place everywhere.

However, this attitude to what began as a side issue has presented us all with a problem, namely how to determine the extent to which the defence and guaranteed respect of human rights is compatible with the development and growth of détente. And we consider that, faced with this problem, there are two wrong ways to go about tackling it. The first is to believe, as some do, that there should be no attempt to argue the case for human rights as this can only lead to an upsetting of détente. The second is to try and push hard on the question of human rights with a view to using this as a means of destabilizing the Communist world.

We consider both these attitudes to be erroneous and cynical. We Socialists have debated these problems at length at the meeting of the Socialist International in Amsterdam, and we arrived at some fundamental conclusions, among which was that there is no incompatibility between détente and the defence of human rights.

We believe that détente is fundamentally and indisputably desirable, but we also believe that the two things should be pursued *pari passu*. Everything depends on what kind of détente we want. If what we seek is a static concept of détente, i.e. the maintenance pure and simple of the *status quo*, and with it all the injustice which exists in the world today, then certainly we shall have some difficulty in reconciling the two things. If, on the other hand, as we must, we see détente as something dynamic which will help us to overcome this injustice, and to create together a more humane and just world, we shall find that the two things go together, and that our efforts will develop into an element of exchange between the western World and the East. We must therefore work to achieve a greater respect for human rights in the East, but we must also strive to attain that greater social justice in our own part of the world which we most certainly require. We consider, therefore, that this concept of détente is entirely compatible with this definition of human rights, and that there is no question, as some have feared, of interference in the internal affairs of another State. Admittedly, we gain little by posing the problem in legal terms, since the Final Act of Helsinki is not a treaty, but a declaration of intent, and so we have no legal leg to stand on when we call for its implementation. But the value of the Final Act of Helsinki is primarily political, and at

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the political level, having signed the document, the Soviet Union recognizes *de facto* the right of other States to 'endeavour jointly and separately' — this is the phrase we find in the seventh principle — to ensure the respect of these principles, these guarantees of human rights.

Obviously, everything depends on the spirit in which we intend to act, whether and how we plan to play a real part in ensuring a greater respect for human rights, and whether we do not instead intend to try to exploit presumed diplomatic advantages.

We must be consistent and serious in this approach, eschewing polemics and propaganda. And above all we must act in such a way that we have maximum credibility, or as President Carter has so neatly put, it, we must begin our campaign for human rights at home. I have no wish to repeat the list, presented clearly and carefully by Mr Bertrand, of all the violations of human rights perpetrated in the western World, but I believe that we must do everything necessary to put our own house in order and to begin our efforts to ensure respect for human rights here in our own countries. And our action should be specific — we must abstain from mere declarations of principle. When we go to Belgrade, we must not imagine that we are about to appear in a court of law with a view to trying someone, and read out a list of charges. Certainly it will be our duty in Belgrade to draw up a balance sheet to see how the various baskets of the Final Act of Helsinki have been implemented. And while as regards the item which is currently before Parliament, we shall indeed not be drawing up an encouraging balance sheet, we shall not be drawing up an entirely negative one either.

Of course, anybody who cherished irrational hopes and thought that matters which will take many years to resolve could be settled in a day will be disappointed. But if we look realistically at the available data we shall see that some progress has been made. As I have already said, we must recall that the Helsinki Agreement was not a treaty and that the Third Basket posed extremely delicate problems because into the relations between State and State it introduced the relations between citizen and State, involving the important and delicate area of individual freedoms. While we are certainly all agreed on these, we in the West also make a difference between the abstract affirmation of a right to freedom, which sometimes borders on the pharasaical, and the effective guaranteeing of the means for exercising these rights, which invariably entails the necessity of ensuring social justice as well.

So we must turn Belgrade into an occasion to move further along this road of détente, realizing that we do not want Belgrade to be the last opportunity to meet and discuss these matters, but that there must be other Belgrades. I am not, incidentally, suggesting that the conference should be institutionalized, or worse that a permanent secretariat should be set up — nobody needs that.

I believe that one of the important achievements of the Helsinki Conference was to create this large multi-lateral forum in which the discussion of the problems affecting our continent, in which, after all, Europe is directly involved, was withdrawn from the bilateral diplomacy of the two superpowers and pursued in a wider context.

It is essential that Europe should perform its role in the future, as indeed it has to some extent in the past. And when I speak of Europe I am not speaking of the Community institutions, whose function was limited, notwithstanding the Community's participation in the Conference and signature to the Final Act of Helsinki, but of the role played by the European countries in the preliminary phase of the Helsinki Conference, when the policy pursued by the Federal Republic of Germany under the leadership of Chancellor Willy Brandt made it possible for us to be here today in this Chamber talking of Helsinki and of human rights. Had Germany not pursued this policy there would certainly have been no conference and the debate on human rights would not have made the progress it has. I feel that we shall never be sufficiently cognizant of the contribution made at that point in the political history of Germany by that country's leaders to a more lasting and secure peace in the world.

I therefore believe that we must continue along this road, in an effort to achieve greater harmonization among all the countries of the European Community, so that at the Belgrade Conference the Community can help establish a new era of détente, and that progress towards détente will be matched by progress in the defence and respect of human rights.

(Applause)

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

Mr Scelba. — *(I)* Mr President, ladies and gentlemen, it is unfortunately a sad and painful fact that human rights are being violated all over the world. It is certain that most people are living under political systems based on the refusal to grant their citizens their civil and political rights and on the systematic persecution — often by shameful means — of citizens whose only crime is to call for the recognition of human rights. Dictatorships of both the left and the right are identical in their refusal of civil and political rights and in their awareness that granting these would mean the end of their rule. This also explains the increasing persecution of those who, encouraged by growing international solidarity, have gone so far in various countries as to call publicly for the recognition of human rights. While we rejoice at the return to free systems of European countries which had been under dictatorships for decades, we note with bitterness that new dictatorships are being set up in other parts of the world.

Scelba

The reports from Ethiopia of mass executions of opponents of the new, self-styled marxist, regime — and the victims are young people and students — who had fought against the old system of the Emperor for a more liberal system, grieve us all the more since this is a country linked to the European Community through the Lomé Convention. These summary executions — if they are taking place — are being justified by saying that the victims are hired spies for foreign interests and servants of capitalism. This is a well-known propaganda technique which has already been widely employed in other countries. Unfortunately, the civilized world is powerless in the face of these tragic events, which have been made possible partly by the solidarity of powerful and interested political friends in Europe. It is significant, in this connection, that while the Ethiopian radio was announcing the executions the leaders of the new regime were being welcomed with a guard of honour in the luxurious imperial halls of the Kremlin. At the same time, in the United Nations, the representatives of Chile and the Soviet Union were both voting in favour of the proposal to withdraw United Nations support from Amnesty International's work in defence of human rights.

The violation of human rights is also a reality in Europe which, not so many years ago, shed its blood in a war which was fought to regain those human and national rights trodden underfoot by the fascist dictatorships.

This reality is of particular concern to the free peoples of Western Europe, since they have traditions of civilization in common with those peoples in the rest of Europe who are not free, and since almost all the subject nations in Europe once had free and democratic governments. Their struggles to regain their lost freedom, and their violent suppression by foreign armies, reveal the true feelings of these brother peoples. The Helsinki declarations were interpreted by them — and in the West — as a step towards the peaceful liberalization of these dictatorships, and towards the gradual re-establishment of human rights.

However, experience since then — and I am sorry to have to say this — has shown the fallacy of these interpretations. To rob the Helsinki declarations of their force, there have been denials of their binding nature, and the term 'undue interference in internal politics' has been given to the moral solidarity towards those who, encouraged by their governments' firm support for these declarations, have come out publicly in favour of their practical implementation. What is even worse, statements announcing the intention of adhering to the undertakings given are described as an attack on the policy of détente.

The connection between détente, peace, progress and respect for human rights is already an established fact, but it was explicitly reaffirmed in the Helsinki declaration. And since we want détente, because it is a start to

peace and essential for progress, we must reaffirm our faith in a policy which is unanimously recognized as being the only one capable of safeguarding peace and promoting progress. One element of this policy is the respecting of human rights. Giving up our efforts to achieve this respect would only strengthen the interpretation of détente as a means of consolidating regimes which deny human rights. In other words, we would be confirming a false concept of détente which, sooner or later, would undoubtedly lead to conflict in Europe and the rest of the world.

The European Community and its Member States cannot restrict themselves to mere statements or, even worse, to a policy full of contradictions. Nor can they leave it to the United States alone to defend the human rights of the peoples of Europe. If we are concerned about human rights all over the world, we are all the more concerned about human rights in Europe, with regard to countries adjoining our own. Our solidarity with President Carter's human rights policy must be seen to have nothing to do with the problems dividing the two superpowers. Speaking to the students of the University of Georgia, US Secretary of State Vance stated — clearly with reference to dictators in all continents and of all colours — that the United States intended to use American foreign aid as a means of furthering human rights. No-one can deny the legitimacy of such an undertaking, in view of its implicit consistency and in view of the fact that no regime which denies human rights can legitimately hope to consolidate its own brutally exercised power using economic aid from the free world. And in this context I wonder whether it is one of the aims of the Lomé Convention to help countries which not only set up regimes of violence, but also expel the consuls of Member States of the European Community.

If we do not want our statements in defence of human rights to remain cries in the wilderness or mere hot air, we must have a specific policy — and one which does not even shrink from confrontation over human rights within the Community, particularly if this confrontation could prove useful as a means of ascertaining what is going on in the other countries which signed the Helsinki Convention.

One concrete indication of our resolve to promote human rights would be to ratify all the international agreements on human rights and to incorporate these into the Treaties establishing the European Community. In order to promote the cause of human rights, we call for a policy which will reduce the divergencies between, firstly, the Member States, and then between the regions and classes within these countries. We are fully aware that the existing major disparities between and within the countries of the free world are being misused by political forces whose success is due to these disparities — forces whose first move, when they gain power, is to eliminate the disparities by suppressing civil and political rights and the most fundamental freedoms of man.

Scelba

By taking positive measures to defend human, civil, political and social rights, the European Community will not only be remaining true to its inspiration but, by displaying a human face, it will also become the focal point for all those independent spirits who are looking for a valid alternative to the regimes oppressing them. This is our call to the Council, the Commission and the governments of the Member States.

(Applause)

IN THE CHAIR : SIR GEOFFREY DE FREITAS

Vice-President

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

Mr Berkhouwer. — (NL) Mr President, it is difficult in a debate like this where there is such wide unanimity to avoid repeating various commonplaces which have already been heard. I shall try nonetheless to do so by commenting mainly on various remarks of previous speakers. For once at least we can congratulate ourselves on the unanimity which prevails in our European political landscape. For once we really do agree, in that none of the three major political currents are contaminated by any mental reservations in respect of human rights.

Mr Johnston has already outlined the present trichotomy of the world — one third under communist rule, one third under other totalitarian regimes and one third still fortunate enough to know the privilege of parliamentary democracy. His comments gave me food for thought. My cogitations led me to discern one of those remarkable contradictions which have marked the development of our world in the last quarter of this century. Admittedly, our world is full of contradictions. Nonetheless, the most striking is that on the one hand the world is becoming increasingly dependent for its technological progress on ever more refined techniques, while on the other it is being ravaged by ever cruder violence. I sometimes wonder whether we always use the highly sophisticated techniques at our disposal to promote peace, tolerance and gentleness. Could we for instance not show rather less crime and aggression on our television screens, in a world which is already too full of repression, violence, aggression and torture ?

I was struck by the words of Mr Haferkamp, who said that it is quite easy to deliver oneself of fine phrases and commonplaces, but that the question at issue is, what do we do now ? He produced a striking trilogy of categories in the form of questions. This is where a debate like this scores, since we are not faced with fixed presumptions, but with an invitation to think deeply about the problems. I personally have accepted this invitation with alacrity, in order to make this

debate as lively as possible. Mr Haferkamp mentioned Amnesty International in this context. I think that we ought here to express our great admiration for this organization, one of those which concerns itself with the fate of the persecuted, though not the only one. Amnesty International has modest means at its disposal, but it pushes ahead with courage and tenacity, breaking down the doors of repression, torture and aggression. It has a fine nose for what is wrong in this world of ours.

But it is worth asking whether we really ought to call 1977 the year of the political prisoner. This urge to call every year the year of something or other bothers me. 1973 if you remember was to be the year of Europe, but it turned out to be the year of the Arabs ! Europe is not something limited to a year. 1975 was proclaimed Woman's Year and Monuments Year. These, too, are subjects which cannot be restricted to a year. Now 1977 is to be the year of the political prisoner. But the prisoners must be our unceasing concern, not just in 1977, but in the future too.

I did not mention 1976. That is only just behind us. In that year we celebrated the American bicentennial. Perhaps the finest present that country could have received was that it again elected a leader who is not interested only in pursuing *Realpolitik*, but who is prepared to commit himself to practical idealism. This idealism, after all, was fundamental to the great revolutions on both sides of the Atlantic, the American and the French revolutions, which provided the first great charters of human rights in the history of the free Western World, following of course the example of Magna Carta in England and other countries.

So now we have the follow-up to Helsinki in Belgrade. Naturally this is the central topic of interest at the moment. Like others who spoke earlier, I, too, believe that we must not turn Belgrade into a trial in which certain persons are put in the dock.

On the other hand, there was an attitude in the countries of Eastern Europe which amounted to regarding the first two baskets as important, and the Third Basket as a pretty ribbon for the package, a final agreement which was accepted but whose purport ought to be forgotten as quickly as possible. Something then happened — and I don't believe we can emphasize this too strongly — something happened, and that was that the persecuted and the dissidents in those countries began to claim their rights under the Helsinki Agreement. Nobody had expected that, of course. But why should that stop us calmly taking our places alongside these people, and remaining at their sides, naturally in a spirit of dialogue and not of prosecution ? I recently had an opportunity to discuss this with a number of leading Yugoslav politicians, and they shared this viewpoint. I am pleased to see that this attitude is mirrored in the text of the motion for a resolution, which emphasizes the simultaneous, equiva-

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lent and parallel character of the three baskets. In this way we in the West can avoid giving the impression that we are only interested in the Third Basket. Why shouldn't the West point out what is true, that we're generous to a fault, but not entirely off our head? If all we're good for is to grant loans to the Warsaw Pact countries we might as well pack up and go home. Credits to the Eastern bloc are running into astronomical sums, something like 50 thousand million Dutch guilders, I believe. And we want to go on distributing largesse — after all, who wouldn't want our credit?

But then we're perfectly entitled to say, okay, there's the military basket and the economic basket, but what about the human rights basket? In other words, as Mr Haferkamp suggested when listing the possibilities available in the context of our associations policy, we must point out in our talks with third countries that we regard the Third Basket as important, and that it is not our view that man lives by bread and wine alone, but that we value in addition to the exchange of material goods the exchange of persons and of the products of the mind and spirit. I recall, for example, a thoroughly distressing situation from my own personal environment. I know young people who have been engaged for years to girls in Rumania, and these girls have still not been given permission to join their fiancés in Holland. It seems to me, Mr President, that if one wants to live in a climate of détente, and claims that one wants to promote it, this sort of thing is totally absurd. I would stress, therefore, that we must develop all three baskets together.

Mr President, I also fully endorse what the President of the Council and others have said, namely that our indignation at the violation of human rights must not be selective. I am glad that he made this point, because he belongs to the political grouping which has occasionally been accused of being selective, which has sometimes indeed been selective, and I say that in all moderation. I am therefore very pleased to hear the President of the Council say that we must not display any selective indignation. If we are opposed to totalitarian regimes in South America, no selectivity is necessary — you will be in no doubt as to whom I mean. And there's plenty to be said about Africa, where some countries are ruled by dictators of a cruelty unrivalled even by the bestiality of Nero in the early days of Christianity. Nor must we be selective in continuing the granting of aid, or signing association agreements or giving help. Some people object on grounds of the violation of human rights to giving assistance to certain countries — and I am thinking here of Mr Haferkamp's category. Well there are people in the Netherlands, among whom I count myself, who consider that you don't need to support a regime which is busy exporting war to the African continent. You will understand what regime I'm talking about. And I'd rather give money to Spain to help democracy on its feet than to Cuba to keep the

dictatorship there in power. This is in line with your thinking, Mr Haferkamp. I agree with you in the matter of the associations. You said, or rather you put the question to the Council, with in the background the suggestion ... 'shouldn't we tell our friends in the Lomé Convention that things could be calmed down a bit here and there?' We all know what countries are involved, and I'm sure that there is no difference of opinion on that score between Mr Haferkamp, yourself and me, Mr President. It is naturally very sad that our association partners include a number of countries where the human rights situation is none too rosy. We acted vigorously in connection with the association agreement with Greece at the time of the colonels' regime, when the whole business was put on ice. But Mr Tomlinson has reminded us, and this is what often makes it so difficult, that we must distinguish between the regime and the people who suffer under the regime. We must avoid a situation whereby the measures we take have the wrong effect, and it's not the regime that suffers but the people who are already its victims.

Mr President, I should like finally to raise one point which is more or less connected with the internal policy of the Community. We hear talk now and again of the possibility of individual recourse to the Court of Justice of the European Communities. The Court itself has even made this suggestion in a report to Mr Tindemans. We know too that all the Member States are affiliated to the Council of Europe, which has as one of its institutions the Court of Human Rights. My question then is this. Has the Commission thought this one through — should these two possibilities be merged, or is an individual right of appeal to the Court of Justice of the European Communities, alongside the possibility offered by the Human Rights Court of the Council of Europe, likely to be of some use since there is a lacuna or vacuum in respect of the individual's right to lodge complaints? This is a specific question, and I shall leave it at that in the hope that I have been able to contribute some points to this debate which were not already stale from over-exposure.

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

Mr Rivierez. — (*F*) Mr President, I should first of all like to endorse everything that was said by Mr Bertrand, who rightly mentioned all the violations of human rights throughout the world, in particular those committed in Uruguay. We are solidly behind our former colleagues from that country who described to us yesterday what was going on there.

At this point in the debate when everything has been said, Mr President, I shall confine myself to a few comments. First of all, it was a good thing that, at the initiative of Mr Bertrand and Mr Fellermaier, these

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problems of human rights were once again brought up in this House. Our Parliament, which has a certain duty in this respect, is never indifferent in matters of human rights and I have found that since 1973 it has passed twelve resolutions on the subject. On the eve of the Belgrade Conference it was quite natural to open this debate which, I am convinced, will hold the attention of all those who are interested in the protection of human rights — a protection which is increasingly necessary in spite of the United Nations declarations and the Helsinki Conference.

Mr President, we in this Parliament have a certain authority, and the positions which we adopt are not merely academic. When we pass the excellent motion for a resolution from the Political Affairs Committee, it will be a political act of major importance. This is a good resolution. It does not reflect any intention to provide controversy after the Final Act of Helsinki. In the first place it proclaims our solidarity with all those whose freedom and dignity are under attack; it places the emphasis on détente, which is the aim of the signatory states at Helsinki, on cooperation and on the obvious link between détente, cooperation, human rights and also, let us not forget, information. It must be stressed that the motion for a resolution quite rightly does not propose any aggressive measures against States which have their own interpretation of human rights. In our opinion, this is the way in which the battle must be fought if it is to achieve anything. This battle, as recommended in the resolution, must be conducted within the international organizations, using the procedures available there. In short, this resolution is a positive step which will have the desired effect. This brings us to the question raised by Mr Bertrand: must we or could we go further? Could we advise the institutions and Member States to take further steps to safeguard human rights and protect the people, and to seek ways of punishing such violations. Above all, can Parliament pass a resolution proclaiming — with obvious reference to the Belgrade Conference — the primacy of the protection of human rights over the principle of non-interference in the internal affairs of a state?

We could not remain indifferent to all these recommendations and, like Mr Bertrand, we recognize first and foremost the primacy of the individual. In the international sphere, moreover, Europe has already declared this primacy of human rights over the principle of non-interference by adopting the European Convention on Human Rights. The institutions and judges of the Convention have powers inside the states which are, in each case, equivalent to the powers of their national judges. This principle is not therefore something new, and we have already put it into effect in Europe. However, the European Convention, which thus recognizes the primacy of the individual remains a model for the rest of the world, which gives priority to non-interference.

That is why all the declarations, international conventions and agreements do not provide for an authority with powers which can be exercised inside the states. The United Nations Charter and its Declaration on Human Rights only lay down recommendations — no monitoring and, of course, no judges. Basically, the states undertake to show respect for human rights as they understand it.

Let us not forget that the Charter, like the League of Nations yesterday and the Final Act of Helsinki today, explicitly and formally proclaims the principle of non-interference in the internal affairs of states, and that the ten points made in Helsinki constitute a whole.

Although the Political Affairs Committee was therefore right not to include in this motion for a resolution the primacy of human rights over non-interference, this remains the hope for tomorrow.

I naturally listened with great interest to the specific proposals made by Mr Haferkamp in reply to Mr Bertrand's concerns. It is a good thing that in future, in our relations with countries to which we are linked by association agreement or to which we grant aid, we shall be able to stipulate that they must respect human rights. However, if we expressly stipulate this — and we shall be able to do so because we shall have almost contractual relations with these states — we must also provide for monitoring and for bodies which can punish violations.

Indeed, for a long time to come, the only weapons with which the international community can fight for human rights are first and foremost moral weapons. Let us make no mistake about the power of these weapons, however. It was these moral forces which brought about the Helsinki declaration on human rights. Let us not forget that, at the beginning of the negotiations, certain quarters regarded the fact that we wanted to include this subject as a form of ideological subversion. Helsinki roused the hope of those who were in despair and who were, and still are, faced with a restrictive conception of human rights, deriving from the economic, political and social nature of the regimes in the countries concerned. Those to whom Helsinki gave renewed hope are now confronting these states with our own universal, natural conception of human rights which transcends regimes.

I am one of those who believe that, through information, cooperation and détente, human rights as we understand them will triumph in the end. It will require time and vigilance. We shall have to keep on denouncing violations of human rights to the international community. Let us not underestimate the international repercussions of our judgements, in particular those of this Parliament. They have immense moral force. I assure you that the pangs of conscience felt by the whole of mankind stem from the fact that assem-

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blies and institutions like ours, especially in Europe, have spoken out against violations of human rights.

(Applause)

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

Lord Bethell. — Mr President, what a joy it is to take part in a debate where so much unanimity has been shown by the speakers, not only across the frontiers of national states but also across the boundaries of political parties! I am sure that every Member of this House supports the resolution that has been drafted and, as far as I can tell from the speeches that have been made, this is a debate which has caught the imagination of the House and one which we can support almost unanimously.

I say 'almost unanimously' because there is unfortunately the nuclear position of the Communist Group in this debate. They have not appended their signature to the resolutions, but I hope that this will be cleared up by the next speaker — by Mr Galluzzi or by Mr Lemoine, who will speak next. I recall 6 months ago raising the question of human rights in the East European context in Strasbourg, and Mr Bordu, replying for the Communist Group, said that he would not make any statement on this matter at that time, but that he would do so in the future in a general debate on human rights. Well, Mr Bordu has not been able to come to Strasbourg today, but I very much hope that his honourable friends will do so on his behalf. And I wish, in the most moderate way possible, to repeat the appeal I made then to Mr Bordu and to his colleagues. The Communist Group has a unique opportunity, a unique chance to help individuals in Eastern Europe who are the subject of persecution, because of its organizational links with the Communist Parties of the Soviet Union, Czechoslovakia, Poland and other East European countries. There is a great deal that they can do because of the close links which they have, and it is unfortunately impossible, so we see, for them to share openly in our statements about the violation of human rights in that part of the world. But I very much hope that they will be able to tell us something of what they are doing, through their contacts with East European parties, to help those people who are suffering persecution in Eastern Europe.

But of course unity among the parties is only one of the achievements which this debate has provided for us this afternoon. Equally important is the unity among the Nine, and I am very encouraged to know — it was announced by Mr Tomlinson's predecessor, Max van der Stoep, some months ago — that a decision has been taken that the Nine will take a joint stand at the review conference in Belgrade, and will present a joint approach in the various monitoring

procedures and checks that will be made in June and September on the Helsinki Agreement.

But I wonder if the President-in-Office will be able to tell us a little more at the end of this debate about how this is going to work, because it will be a very interesting and unique exercise when his successor goes to Belgrade. Can he tell us something of the efforts that are being made now to pool information about the violation of human rights, to collect information on this subject, to distribute it among the governments of other Member States, and to make sure that the President-in-Office of the Conference of Foreign Ministers has every thing available? And will the President-in-Office's successor, the Belgian Foreign Minister, Mr Van Elslande, or some other Belgian minister, speak on the Council's behalf in Belgrade? Will he speak for the Nine? How will it be organized? Will individual Member States' governments simply coordinate and speak individually, separately, or will Mr Van Elslande or his deputy speak on behalf of the Nine in the same way as Mr Gaston Thorn signed the Helsinki Agreement, not only on behalf of the Government of Luxembourg, but also on behalf of the Council of Ministers? Anything that Mr Tomlinson can tell us about the plans for Belgrade would be, I am sure, of great interest to the House.

At this meeting in Belgrade it will unfortunately be impossible for the Nine, speaking with one voice, as they will do, to raise every individual case of persecution, of the violation of human rights. As we have heard in the eloquent speeches of Mr Alfred Bertrand and Mr Russell Johnston, there are hundreds and thousands of such cases in various parts of the world and it will not be possible to mention every single one. But there is one case that I would ask the President-in-Office of the Council to take note of and to consider raising on that occasion: that is the individual case of members of the committee for monitoring the Helsinki Agreement in Moscow. This committee of 10 individuals has spent the past year monitoring this agreement, and because of their activities they have been harassed and harshly treated by the Soviet authorities; several of them are now in prison, including their leader, Dr Yury Orlov. I think this is a special case and one which, I would suggest, the President-in-Office might consider raising at Community level in Belgrade, for the simple reason that they are being persecuted for monitoring the very agreement which we are trying to check.

(Cries of Hear, hear!)

It is because of their activities in connexion with this agreement that they are being harassed and in some cases imprisoned. I think this does commend this special case to the attention of the Nine and of the Council, and Mr Tomlinson may possibly consider acting in this individual case.

Lord Bethell

Mr Riveirez, in his interesting speech, said that we had very little in the way of sanctions to impose if our efforts in Belgrade were unsuccessful. He mentioned moral sanctions only. With the greatest respect to Mr Riveirez, I think he is mistaken. We have a number of sanctions we could impose — some of them mentioned in the Final Act — if we find that certain countries persist in their violation of the human-rights provisions of that agreement. I refer in particular to scientific contacts between East and West and to East-West trade. These two spheres — scientific contacts and trade — work very much to the advantage of the Eastern bloc, and I do not think it would come at all amiss if it were to be suggested, either now or later, that the development of scientific contacts between East and West and the development of East-West trade must depend to some extent on the development of human rights in Eastern Europe and that these two things will be linked. I do not suggest linking the question of human rights with that of arms limitation and disarmament. The Russian dissidents do not demand this, and I agree that it would be wrong to do so, but in the realm of scientific contacts there are things that we can do and I will mention one specific point.

There is evidence that Western technology is being used by the Soviet police to listen in to telephone conversations: data-processing equipment from the West is being used to keep control of the citizens of Eastern Europe. Western technology is being used to help in the oppression of the citizens of Eastern Europe. They do not have the equipment themselves to do this job efficiently — which they do; they have to buy it from us, and there may very well be something we can do to see that this sophisticated equipment is strictly controlled in the future.

Finally, Mr President, I wish to express my pleasure again that this debate has taken place and has aroused so much interest among the Members of this House. It has been alleged many times by critics of our Community that we are a rich man's club, that we are a group of nine countries, many of them with former empires, countries with very high standards of living, countries without much of a heart, without much of a soul, countries which work mainly for material ends to increase the already high standard of living, to buy extra cars, extra refrigerators, to furnish our citizens' houses better, to make rich people richer still: this is, I think, an opportunity for us to prove that that is wrong. Human rights provide us with a basis for a philosophy which we can develop and use to great advantage in winning the hearts of the Third World and in convincing them that we feel for freedom and we feel for democracy and that we support the underdog. We do not have to incur the odium of being rich men in a poor world if we put our real efforts into the implementation of human rights and

democracy. This is something which gives us an opportunity for the future and something on which we should not keep silent in Belgrade, because to be silent means to consent to the injustice and to connive at it.

(Applause)

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

Mr Galluzzi. — *(I)* Mr President, I believe that we all agree on one thing. Human rights, which must be seen in their entirety and are not limited to political rights, as was stressed during the recent London Summit, but also comprise social rights, are now accepted as an element in the process of consolidating peace, security and cooperation in Europe and the world.

The inclusion of the Seventh Principle and the Third Basket in the Final Act of Helsinki is a recognition of this element, and also of the importance which all the signatory States attach to it. However, it is an aspect of a complex and wide-ranging process which can only make progress if pursued as a whole. In other words, it cannot be separated from the whole, much less opposed to it.

It is for this reason that we do not consider it a very fruitful approach, from the point of view of achieving the complete and rapid application of the Final Act of Helsinki — this being our common objective — to turn this question of human rights into the key issue, indeed in some respects the priority issue, of the Helsinki Agreement. We take this view not simply because it would lead to relations between the States shifting from political to ideological confrontation — and I would remind you that this is in flagrant contradiction to the Helsinki Agreement, which was based on the recognition of the diversity of social and political systems and on endeavours to discover points of common interest in this diversity — but because this shift would unfailingly lead to a closing of ranks among the States and within their own confines. Surely we all agree that this would benefit neither human rights nor the policy of development and cooperation between States, nor the policy of peace and détente.

Certainly, we are well aware that this question of human rights — seen in its entirety, I must stress that point — is far from having been solved, even in the Socialist countries. We have said this more than once. But we are convinced that accusations and counter-accusations will not help the cause of human rights, nor will efforts to show that they are in greater jeopardy in East or West. Instead, we should be doing all we can to advance the process initiated in Helsinki, and in the first place promoting a dialogue, détente and security, which far from representing a renunciation or abandonment of the struggle for the defence

Galluzzi

of human rights, are the route — as recent years have shown — to giving real support and real prospects of success to this struggle.

For the rest this realization is gaining ground even in the United States of America. And it is gaining ground with increasing clarity, particularly since the American President, Mr Carter, in his address to the United Nations, and in his press conference on 9 March, not only recognized that this is a problem which affects a large part of the international community, including the United States, but rejected the so-called 'linkage theory' that is, the direct and immediate interdependence of détente and of civil rights. He stated that the question of human rights must not block progress in other important problem areas affecting peace, security and the well-being of nations. The reason, added Mr Carter, was that the control and reduction of armaments, progress towards détente and the solution to the problems of hunger and underdevelopment, are all elements in the advance towards improving the lot of mankind and thereby the enjoyment of freedom.

For these reasons, and without underestimating but rather fully recognizing the seriousness of the problem and the need to demand urgently, as the motion does, that it be resolved, we feel that the Community's efforts to defend human rights must be intimately and primarily linked with the struggle to overcome the legacy of the Cold War, and thus with the capacity of the European Community and its member countries to contribute on their own behalf to promoting a dialogue, détente, disarmament and cooperation between the peoples.

Ladies and gentlemen, this is our position. In line with Mr Radoux' motion for a resolution, which we support, we wish to ensure that constructive progress is made on the road to development and détente in the process of implementing the agreements signed at Helsinki. This is also the purpose of the amendments which we have submitted in respect of Mr Johnston's reports and which we hope will be favourably considered by this Assembly.

President. — I call Mr Yeats.

Mr Yeats. — Mr President, we must welcome this opportunity once again of impressing upon the nine Member States the need for a charter of human rights to be solemnly agreed and enforced in the Community. It would be most appropriate that, on the eve of the democratization of the European Economic Community by means of direct elections to this European Parliament, the fundamental rights of each citizen of the Community should be codified at a European level, in the form of a European charter on fundamental rights. While such a task of course presents many problems because of the diversity of

the legal systems in our Member States, it is imperative that citizens in every part of the Community should have the same rights.

In so far as Community law is not affected, the Member States alone are responsible for the protection of fundamental rights within the framework of their national legal systems. As it has been repeatedly stated in reply to parliamentary questions, the Commission is to this extent not competent to intervene or to pass judgement. Where, however, bodies in the Member States apply Community law, they are bound to act in accordance with the guarantees of fundamental rights which apply under Community law. While some articles of the Rome Treaty, for example Article 7, Article 19 and Article 48, do afford some protection to the individual's rights, the Treaty makes no attempt to specify the sort of comprehensive protection or guarantee that one would get in a written constitution. It is clear that despite the sporadic efforts of the judges of the Court of Justice, there is a clear lacuna in the Treaty in respect of fundamental rights. The member governments have for too long ignored this fundamental problem, the guaranteeing of human rights within the Community.

On the other hand, they have failed, too, to proclaim boldly to the world, or to give adequate expression to, the political will and deep moral feelings of our peoples with regard to human rights. For too long we have remained silent while situations that we would never have wished or tolerated in our own countries, have gone unchecked. We did not speak out when we should have. We have for too long taken refuge behind the lazy and legally sick doctrine of non-interference in the internal affairs of another State. We must, of course, Mr President, protest against persecution, discrimination or torture wherever these occur, whether in South America, Africa, Eastern Europe or elsewhere. Yet it is even more important, perhaps, that we ourselves should be above suspicion. Some legal proceedings at present underway in this very city of Strasbourg must be a reminder to us that all the citizens of our Community, in Northern Ireland as everywhere else, are entitled to, and must be assured of, natural justice at all times.

President. — I call Mr Lemoine.

Mr Lemoine. — (*F*) Mr President, the time limit imposed on this debate is obviously not in keeping with the value of having the political groupings express themselves clearly on this fundamental question.

For us Communists freedom is inalienable and indivisible. Some people denounce violations of human rights only when they are committed in Socialist countries, but take refuge in a conspiratorial silence when freedom is trampled underfoot in their own country or in countries controlled by their political friends.

Lemoine

We, on the other hand, have only one approach: the fight for freedom must not be subject to any discrimination or exclude any country. We have said this before, and for us it is a matter of principle: we do not agree with the use, in the name of Socialism, of methods which violate human rights.

We are convinced that, by acting in this way, we are contributing to the progress of Socialism in the world and, hence, to the progress of all freedom.

President Carter says he is disturbed by the breaches of human rights in the world. Behind him, the politicians, even the most reactionary, echo his words... And yet in the United States ten anti-racist militants, the Wilmington ten, have been sentenced to 282 years in prison following a rigged trial, a parody of justice.

In France, our party is working all out on the Committee for the release of Father Ben Chavis and his associates. In this struggle we are united with all true democrats in France as well as with the best sons of America, those who represent its future.

In demanding justice for the victims of this high-handedness, we do not feel any hostility towards the American people, with whom — as with all other peoples — we want to live in friendship. This involves respect for the inalienable right of our peoples to choose their future and their economic and social system with complete freedom and independence.

What we condemn is imperialism, that system founded on repression and terror. In Chile, Uruguay, Brazil, Paraguay and South Korea there are thousands of murders, assassinations and disappearances. Who supports these regimes which systematically violate all types of freedom? Who keeps the racist regimes in Rhodesia and South Africa alive? Whose voices were raised in condemnation of the massacres of communists and progressives in the Sudan and Indonesia? Who rises up in protest when Palestinian villages are dynamited, when democrats are assassinated in Iran, when hired assassins fire on a crowd of unarmed workers in Turkey?

Let there be no mistake — we are not fighting the peoples of these countries, for whom, on the contrary, we have every sympathy, but the system which keeps them in darkness.

However, the world is changing. Through the peoples' struggle, humanity is advancing towards 'greater democracy, progress and freedom. Everywhere in the world the longing for freedom is bursting forth with unparalleled force. Europe is at the heart of this movement. Those who would like to see the clock turned back must appreciate that: things are moving in the right direction, and the movement must continue. The Belgrade Conference must bring progress in this direction. This need is widely felt by our peoples.

We demand that all the provisions, without exception, of the Final Act of the Helsinki Conference be imple-

mented in full by all concerned. We want continued progress in détente and cooperation between peoples. This is a major task for all progressive forces, for all the forces of democracy.

No *a priori* condition, no political manouvre should be allowed to affect this issue. The agenda for Belgrade cannot be limited to the one topic of the protection of human rights, but on this question we wish to point out, quite calmly, the following: within capitalist Europe, fundamental freedoms are at stake. In Northern Ireland, with the arbitrary internments. In the Federal Republic of Germany, with the professional disbarments. In Belgium and France, where they would like, amongst other things, to make teachers think 'correctly', i.e. to stop thinking, and even within the European institutions, with the introduction of the scandaous 'security questionnaires'...

For crisis-ridden capitalism, freedoms have become so many obstacles to be eliminated. For millions of men and women freedoms stop at the factory gate. Where is the freedom for millions of the poor, the unemployed, or the young with no openings and no prospects? ...

We repeat: the reference of human rights is universal. It must take place everywhere and in all its aspects.

That is our guideline.

In France, we have given an undertaking, before and on behalf of the people, to develop freedom and democracy.

This is because we wish to open up, together with our people, a new area of freedom in a pluralist society. For us, socialism and freedom must keep in step. This is also the spirit in which we press for a truly democratic Europe, a Europe in which real cooperation will develop, a truly free Europe in which, in particular, the right of the peoples to choose their own destiny will be guaranteed.

Yes, the Communists are deeply attached to justice and freedom.

That is what one of them, the poet Paul Eluard, said in his own way when he wrote in the dark days of the Nazi occupation:

'Je suis né pour te nommer, pour te servir, liberté'.

President. — I call Mr Kunz.

Mr Kunz. — (D) Mr President, ladies and gentlemen, the Christian-Democratic Group pressed the Council and the Commission to state how they viewed the relationship between national sovereignty and human rights. The answer, as I have understood it, is not entirely satisfactory. However, practical steps can probably be taken to improve this relationship in the course of time.

We are all aware that the relationship between national sovereignty and effective protection of

Kunz

human rights has only recently been the subject of fierce political controversy. I would remind you of the letter which President Carter sent to Mr Sakharov and of the Soviet reaction to it. In our view, it is not time to adopt a definite position. In a speech to the United Nations the American President said that no State could maintain that the mistreatment of its citizens was exclusively its own affair. We believe that this principle applies to us all. There can be no two ways about it. It is current international law.

The lasting desire to bring about comprehensive protection of human rights is reflected in developments over a number of years. I would remind you of the Universal Declaration of Human Rights in 1948, the Final Act of Helsinki and the international covenant on civil and political rights. These acts show us that human rights have priority over the exaggerated claims of national sovereignty that are sometimes put forward. These international agreements show us that current international law has developed to such an extent that every State is subject to it inasmuch as — and I quote the American President — no State may be allowed to mistreat its citizens.

In addition to this legislation to which I have referred, there are the facts, in particular facts from my home city of Berlin. With your permission, Mr President, I should like to address my remarks to the Communist Group. I come from a city which is the divided capital of Germany. It is affected like no other city by constant violations of human rights. I would remind you that the Wall has been standing for over 16 years, preventing a vast number of people from seeing and visiting one another. I would remind you that those who wish to escape run the risk of being shot. This is still true today, and urgent changes are required. I would remind you that in many cases men and women cannot marry simply because one of them lives in the eastern sector and the other in the western sector of the city, that children cannot go to their parents, finally, that children playing near water along the border in my city are frequently in danger of drowning because exaggerated status-consciousness on the part of the GDR prevents immediate steps being taken to rescue them.

Mr President, I know that many of the honourable Members are familiar with the situation in Berlin and have seen it with their own eyes; if I may, I should like to earnestly request those who have not yet been to Berlin to go there and likewise see things for themselves.

Allow me to mention one final point, namely the question which has already been raised in this House on a number of occasions: how is the relationship between détente and human rights to be regarded? My colleague from Berlin, Mr Sieglerschmidt, said in this House that he regards détente as having priority over human rights. I do not see things the same way. In my view, the two are closely interlinked. Détente based on the violation of human rights is not détente at all!

I should like to thank Mr Tomlinson for his remarks on this subject. He said — if I remember rightly — that détente cannot be regarded in abstract terms and can only be measured by what it means to each individual human being. This illustrates the close connection between détente and human rights policy, which also finds expression in many concrete measures. Neither does the question arise as to whether we should champion human rights in a loud or soft voice. The 'or' is completely wrong. In some cases it may be better to speak softly, while in others we must raise our voices. It all depends on the situation, and it would be wrong to stick rigidly to one or the other method. If I may, I should just like to stress one more thing in this connection, namely the point made by Lord Bethell. He said that we are all morally obliged to champion, will all the means at our disposal, the cause of those who have set up a Helsinki Committee in the Soviet Union — namely Yuri Orlov and his friends, for whom I should like to declare my deep respect.

(Applause)

President. — I call Mr Ellis.

Mr Ellis. — Mr President, I want to pay three tributes and I want to refer to the situation in one country. I make no apologies if, as an obscure back-bench Member of this Parliament I appear presumptuous in wanting to pay tributes in this particular field, no apologies at all, because as Mr Bukovsky reminded us last week, the whole question of human rights, human freedom, begins in the individual human breast. It may be necessary on the long journey towards a state of affairs where human freedom is assured, to institutionalize matters. We may have to go through our Helsinkis and our Belgrades, but essentially it begins in the individual human breast, and therefore, as I say, I do not feel presumptuous at all.

First, I would like to offer a very warm and sincere tribute, and at the same time offer my grateful thanks, to Mr Russell Johnston, not only for his report, but for what I thought was an excellent speech which seems to capture the essence of this subject. I listened to him with close attention and I shall read very carefully tomorrow the printed version when it appears in the official record of our transactions.

Secondly, I want to pay tribute to the President-in-Office of the Council, more particularly as the British Foreign Secretary. I ought to say, Mr President, that I have tried never to speak here mainly as a British citizen, but more especially as a European citizen, but on this occasion I might escape the dilemma if I could be allowed to speak as a Welshman about another Welshman. Because when Dr David Owen assumed office, in such tragic circumstances, his first major speech in the British House of Commons was very largely devoted to this question of human rights, and I am very grateful to him, and I pay him that tribute.

Ellis

Thirdly, I want to pay a tribute to that very remarkable organization, Amnesty International. I know that a number of speakers have referred to it, particularly Mr Berkhouwer, but I have two special reasons for emphasizing what Mr Berkhouwer said, because in this year, which Amnesty International has declared to be the year of the prisoner of conscience, one thing stands out very very much indeed about the whole Amnesty International arrangements, and that is that it is an organization which is not the child of officialdom. It has come about through the actions of ordinary — or perhaps I ought to say extraordinary — individuals, and I think this emphasizes the point I made about human freedom beginning in the individual human breast. And the second reason why I wanted to pay this tribute to the remarkable skill and expertise and professionalism which Amnesty International has developed in this field over the years in that when I casually mentioned to my very good friend and very extraordinary colleague who normally sits right here alongside me, Mr Bob Edwards, that I wanted to pay a tribute to Amnesty International, he calmly told me that he was glad to say that he was a founder member of Amnesty International and that he had persuaded his union to make available, in the first instance, substantial funds to set up this very remarkable institution indeed. And therefore I am happy for that reason also to pay tribute to Amnesty International.

And the fourth thing I want to do is to refer to the situation in Rhodesia, or as Africans increasingly are coming to call the country, Zimbabwe, because Amnesty International is continuing this year with the campaign it started in April of last year, which was the anniversary of the decision made in April 1975 by the Smith regime not to announce officially and publicly in future when executions take place in that country. The Amnesty International campaign now continues for a second year, and Amnesty International in the course of this campaign has made available a great deal of information about the situation in Zimbabwe. For example, the fact that last year alone there were 66 executions of prisoners who were sentenced to death, without the announcement being made public, for allegedly political crimes. This comes, of course, from a regime which itself is an illegal one.

Therefore I hope, in concluding, Mr President, that the message will go out from this Parliament to whoever might be listening in Rhodesia, in Zimbabwe — and I am sure there will be people there — that we deplore very profoundly what is happening there, how, beginning in a comparatively small way 15 years ago with the need to transfer power from what was a British colonial dependency to a newly emerging State, the various people in Zimbabwe having legitimate political aspirations were gradually led step by step along the road to what in fact now is a gross

abuse of human freedom, and has really begun to approach a terrorist regime.

IN THE CHAIR : MR COLOMBO

President

President. — I call Mr Aigner.

Mr Aigner. — (*D*) Mr President, ladies and gentlemen, I think we should all be very grateful for being able to discuss this subject for two hours. I believe that nobody in this House could pass over in silence the torture of human beings or the appeals and the disregard for human dignity. In my view it is also impossible to draw up some sort of equation whereby the torture, beatings and murders which take place on both sides could be offset against one another. No, ladies and gentlemen, one murder does not cancel out another but is added to the total, and torture plus torture does not cancel out but increases exponentially.

Mr President, we should therefore use this debate to say to all those fighting for human freedom and dignity: hold out. There is always and always has been throughout history an end to torture and brutality.

Mr President, I believe, however, that this debate is important in yet another respect. Today, world peace is based on a terrible formula. One half of the world states: I have so much destructive power, I can destroy the other half of the world! And the other half says: If you do that, I will still have enough destructive power left to do the same to you! Whether we like it or not, our dignity, our freedom and peace in the world is based today on this terrible formula, this balance of terror and brute force. Do you really believe that this formula can last another ten of twenty years? In fact, we can see that it has already reached the end.

Mr President, we should take one thing home with us from this debate, and I would not be here if I were not an optimist. I believe that our society is in fact going through a great period of change, and changes always lead either to disaster or to a completely new dimension. I believe the world has reached a point where this period of change will lead either to the end or to a genuinely new dimension — and this can only be the balance of justice in place of the balance of terror and power.

Ladies and gentlemen, this formula, the balance of justice, is inconceivable, unworkable and unattainable, unless the most basic rights of Man and human dignity find an unassailable place in this system.

I was, therefore, deeply disappointed at Mr Lemoine's contribution. I would ask him to have a few words with his colleague, Mr Amendola, who at the meeting of the Political Affairs Committee in London on 25 and 26 April said — and I quote his exact words —

Aigner

that he regretted that of the many million people living in the world today, only a small percentage enjoyed human rights, while the rest were denied them. He added that human rights were no longer guaranteed in any socialist country. I would therefore like to ask Mr Lemoine to discuss this with Mr Amendola. Those are new words, even from a member of a Communist Group. I do not believe that Communism, even under the name of Eurocommunism, will ever take on a human face. Communism is a false doctrine, and there's a snowball's chance in hell of it taking on a human face.

I believe, however, that Communists can change and become human — but they then cease to be Communists. I therefore think, Mr President, we should try — and this is Europe's real task — to bring about this change-over to a balance of justice. Europe is more than just a geographical concept. Europe has always been and will always remain a concept of civilization in which there is no substitute for human dignity and human rights. That is why I am grateful for this debate.

We should just like to ask that this appeal be heard, and that this period of change be understood, even by those who today believe out of fear for their own existence, that they must resist this appeal. I know that in the Soviet Union, for instance, there is a complete social hierarchy, a class system with a great number of privileges. People there will not change just for the sake of a system or an appeal. If, however, there is more support everywhere for the cause of human rights, it will be possible for even this system to change one day. Then there will not be hate and revolution, but the evolution from power to justice, to which our debate today should make a contribution.

President. — I call Mr Jahn.

Mr Jahn. — (D) Mr President, ladies and gentlemen, the declarations of intention contained in Basket 3, on which the West and all of us placed the greatest hopes, have not so far brought the desired breakthrough for greater freedom throughout Europe. Even in content and form, they were far below the standard set by the 1948 United Nations Declaration of Human Rights — which is binding in international law even though it has been extensively violated — and the two international Human Rights Conventions of 1966.

Concrete progress as a direct result of the CSCE Basket 3 resolutions is thus marginal and, so far, out of proportion to the extensive efforts made by Western diplomacy.

In particular, in divided Germany, the Iron Curtain has become not more permeable, but more impenetrable, since Helsinki. The number of barbaric booby-traps has risen to over 25 000, and they make the border between East and West Germany the most

treacherous in the world today. Although there has been an appreciable increase in the number of Germans leaving Eastern European countries, e.g. Poland, this increase is a direct result not of the Final Act of the CSCE but of bilateral agreements.

Moreover, however welcome the increase in the number of emigrants from the Soviet Union from an annual average of 5 000 between 1972 and 1975 to 9 700 in 1976 may be, these figures are still a drop in the ocean compared to the total number, ladies and gentlemen, of 1.8 million persons of German origin in the Soviet Union. Against this, even after the CSCE, the numbers of emigrants from Rumania and the annual rate of Jewish emigration from the Soviet Union fell to one half and one third respectively of the former annual rates.

Finally, it should not be forgotten that these figures on the numbers of emigrants still conceal a vast amount of human suffering. Hundreds of thousands — I stress hundreds of thousands — of applications are submitted, deferred, not processed and in many cases not approved until they have been resubmitted for the tenth time. The unspeakable human suffering in the families concerned is inconceivable. Instead of the emigration applications being processed in a positive and humanitarian spirit, as laid down in the CSCE Final Act, the persons concerned of whatever nation — I emphasize of whatever nation — are still subject to discrimination, loss of employment and reprisals. National minorities are still being denied their collective cultural rights — as also promised in the Final Act of the CSCE — and this is further increasing the number wishing to emigrate.

The key part played by freedom of movement and freedom to emigrate in the liberalization hoped for in the totalitarian dictatorships of the East as a result of the policy of détente cannot be stressed enough. On this point, Professor Andrei Sakharov writes in his book 'My country and the world' and I quote :

The upholding of the right to leave one's own country unhindered and to be allowed to return, and of the free choice of country of residence, is as it were the touchstone for determining the whole tenor of détente. The key problem is freedom of movement and freedom to emigrate. If these rights are not implemented, half of the world remains a vast concentration camp threatened by the other half.

However slight, Mr President, ladies and gentlemen, the achievements of the implementation of the declaration of intent contained in the Final Act of the CSCE may have been so far, the long-term direct effects of Helsinki may be far-reaching if we do our duty.

The text of the Final Act of the CSCE, which was published in the newspapers in the Communist countries, was eagerly seized on by people in those countries, and gave the human and civil rights movements

Jahn

there a boost on a scale unexpected in both East and West. Although these groups were independent of the CSCE — they were, I stress, already in existence *before* the CSCE — they now had in the Final Act a new instrument with which to press for human and civil rights from their own governments.

Since the Final Act of the CSCE became the standard reference document in the various Communist states of Eastern Europe, the movements no longer stand alone as in previous decades. Their growth now coincides in all the states of the Eastern bloc. In all East European countries groups are being set up to obtain observance of the Helsinki resolutions. As Andrei Amalrik pointed out recently these groups are only the tip of an iceberg and are merely the spokesmen for a widespread movement of support among the peoples concerned.

Neither can this fundamental movement towards the emancipation of people and peoples based on the principle of freedom be passed off any longer as subversion manipulated by the West, as Communist propaganda is still trying to do. The leaders of the Soviet hegemony thus find themselves confronted with an unexpected boomerang effect of this very CSCE for which they had been pressing for so many years. Like Hegel, we could call this a trick of history and, paraphrasing Karl Marx, say: there is a spectre abroad in Eastern Europe, the spectre of freedom, the spectre of European freedom!

Ladies and gentlemen, the Final Act of the CSCE does in fact give the West, not only the governments but also the opposition parties, the social groups and institutions of public opinion a solid legal basis with which to remind the Communist governments not only to fulfil the specific declarations of intent contained in the Act but also, based on the list of principles to make the whole spectrum of human rights and fundamental freedoms the subject of international relations and talks.

In Principle 7 the states participating in the CSCE entered into a solemn political and moral obligation, as follows:

'The participating States will respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language or religion ... They will promote and encourage the effective exercise of civil, political, economic, social, cultural and other rights and freedoms all of which derive from the inherent dignity of the human person and are essential for his free and full development.'

Mr President, ladies and gentlemen, the protection of human rights within the States concerned was thus recognized in an agreement concluded by 35 States, as an essential part of international relations. This signifies the recognition of the fact that respect for the

freedom of the individual in the state and international peace are inextricably linked. It likewise reflects the view of modern international law of the universal validity of human rights and their primacy over national sovereignty, and the demand for protection of human rights can thus no longer be rejected as inadmissible by invoking national sovereignty and the principle of non-intervention.

We must agree with President Carter. 'All the states which signed the UN Charter', he said on 17 March 1977, 'solemnly pledged themselves to observe and respect fundamental human rights'. No member of the United Nations can thus claim that the treatment or maltreatment of its citizens is solely its own affair. For the concept of human rights — based on the principles of liberty and the nature — of Europe's Christian and humanist tradition, this conclusion is derived from the basic premise of this tradition which stipulates that the State is bound to respect dignity and human liberty.

President. — I call Mr Sieglerschmidt.

Mr Sieglerschmidt. — (*D*) Mr President, ladies and gentlemen, at this point I will show myself worthy of the level of this debate — which I also warmly welcome — by not adding another monologue but by trying to analyze some of the contributions made.

I believe it was the rapporteur, Mr Johnston, who rightly drew attention to the successes which the policy of détente has had in central Europe, with particular regard to the situation of the people and of human rights in divided Germany. I welcome this statement and would like to emphasize it once again and quote a few figures to support it.

Ladies and gentlemen, last year seven million people were able to travel from the Federal Republic and West Berlin to the GDR. I beg you to realize what that means. The number of telephone connections has multiplied in the past few years, whereas previously it was not possible at all for years to telephone from East to West Berlin, i.e. in one and the same city. All that and something else which I shall mention in a moment has of course only been possible through a policy of détente; what I wanted to mention, Mr Kunz, is the really macabre story of the children who play near stretches of water along the border. Here too it was impossible, not to eliminate this situation — because the Wall is there and people are what they are — but to find a solution which nevertheless considerably facilitates the rescue of these children if they fall into the water. I should like to make it quite plain that all this would certainly not have been possible if the Federal German Government had driven up to the Wall once a week with a loudspeaker and called 'You are murderers, the Wall must go!' It has only been achieved through a

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consistent and firm policy of negotiation with the GDR and the other parties concerned.

Secondly, Mr Haferkamp asked us a question concerning the ACP states. In the brief time available I cannot go into greater detail, Mr Haferkamp, but in view of the situation in those very countries, I should like to advise great restraint with regard to the implementation of human rights principles. I do not say any more. We just cannot demand democratic elections in any one of these countries as a condition for assistance, and we shall have to approach such matters very selectively, and with a great deal of understanding.

Finally, Mr Berkhouwer, I would like to say something about the Court of Human Rights in Strasbourg and its relations with the Court of Justice in Luxembourg and about the protection of human rights by both these bodies. The Council of Europe last autumn produced an excellent report, for which I happened to be the rapporteur — I say that ironically, of course. It is very important and very difficult to get to grips with this complex problem. It would therefore perhaps be a good thing if you were to take a look at the report. In it I made a number of points and some proposals. However, I think the following is very important with regard to human rights in our own back-yard: in the family of the Council of Europe there are unfortunately still five countries which do not allow their citizens to appeal individually to the Human Rights Commission. I see no reason at all why I should not name these countries here. They are Greece, Cyprus, Turkey, Malta, and unfortunately also France. I shall repeat this again and again wherever I can because I feel it is high time this situation was brought to an end.

Finally, a comment on Mr Kunz's speech. I found his basic remarks on the question of international law which is the issue here quite excellent. However, Mr Kunz, once the principle has been established that no State is allowed to maltreat its citizens, this raises the question of what happens next. Neither of us wants to invade the country concerned, and this is where the problem arises of how to ensure that this principle is respected.

A final comment on the primacy of détente. I think I should make clear once again what I meant. I am referring to what Mr Aigner said. I agree with his philosophy. I too am in favour of the balance of terror being replaced by the balance of justice, but we are both probably agreed that it will take a very long time before this is achieved. Until then, this difficult task of maintaining world peace under extremely difficult conditions has priority as far as I am concerned. Even if there would then not be very much progress as regards human rights — although, of course, I want progress to be made in this field — this task has priority, and I do not need to say what a third world

war would mean. Allow me to make one final point: Mr Jahn believes that what happened in Helsinki was only incidental. However, the agreements between the Federal Republic and Poland on emigrants were naturally not simply reached by chance in Helsinki — they are one of the fruits of the policy of détente and, ultimately, of the Helsinki Conference as well.

Mr Jahn, you complained about many things that are not yet in order. To be sure, we have all realized that Helsinki did not change the world overnight, but it is a positive beginning which we must continue to pursue, because I can see no other way of furthering the cause of both peace and human rights.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — (D) Ladies and gentlemen, I only wish to comment very briefly on behalf of the Commission.

Firstly, we welcome the debate which has taken place on this extremely important subject, and secondly, we would like to express the hope that we shall very soon see positive results from the implementation of the principles debated by us today in this House.

President. — I call Mr Tomlinson.

Mr Tomlinson, President-in-Office of the Council and Foreign Affairs Ministers meeting in political cooperation. — Mr President, I am sure that everybody would agree that it has been a most useful and worthwhile debate. Can I just reply to the particular question put by Sir Geoffrey de Freitas that was referred to before we started the debate proper, that is the point he raised about Lomé, which was also referred to in the course of his speech by Mr Scelba. The position is that the Council has not yet examined the commitments which might be contemplated in the context of the renegotiation of the Lomé Convention. In fact, under the second paragraph of Article 91, the contracting parties will enter into negotiations in order to examine the subsequent provisions 18 months before the expiry of the convention on 1 March 1980. However, the Council takes note of the honourable Member's suggestion and will certainly study it attentively before drawing up in due course the directives for re-negotiating the Lomé Convention.

I would also just refer briefly to a point which was made by Mr Berkhouwer, Mr Rivierez and Mr Yeats to re-emphasize to them what I said in my opening remarks: that the Nine believe that violations of human rights should be judged by the same standard wherever they occur, irrespective of the political complexion or orientation of the country or countries involved, and I re-emphasize that word for word in exactly the same language as I used in my opening statement, and I think there should be no doubt or misunderstanding of that by anybody in this House.

Tomlinson

I now turn to the contribution by Lord Bethell. He asked me a specific question about preparations for Belgrade. As a reflection of the mounting public interest and concern in the West over the internal policies and conduct of the regimes in Eastern Europe, the foreign ministers of the Nine, at their meeting on 31 January, directed that studies should be undertaken, preparatory to their consideration at a subsequent ministerial meeting, of the implications for the Nine of political dissent and the human rights movement in Eastern Europe, and that was done in the context of a particular specific reference to Czechoslovakia. This is now under discussion and detailed consideration within the political cooperation framework by the Eastern European experts working group. The subject of human rights in the CSCE context is also under consideration in the CSCE working group. Lord Bethell also raised the specific question of Yuri Orlov and I may say here, specifically speaking as a United Kingdom minister, that I am certainly aware of Mr Orlov's reports. I would reaffirm that there is a legitimate concern about deprivations of human rights, wherever they occur, and that these should be considered in the context of CSCE.

I now turn very briefly, to the speech by Mr Lemoine. Can I just say to him that, although there were parts of his speech with which I might have some disagreement, I was very pleased to hear in his speech his affirmation of the belief that we must work for the full implementation of all the requirements of the Final Act.

To Mr Ellis, I can say that I very much welcomed his speech and certainly the tributes that he paid to the various people he mentioned were all welcome. I will certainly pass on the message that he expressed in relation to Dr Owen, and I would in fact like to say to him that the message that the British President-in-Office has tried to put forward is quite clear.

I would like to conclude this debate, if I may, by just echoing some of the words of the President-in-Office of the Council when speaking to the Diplomatic and Commonwealth Writers' Association shortly after his assumption of office as Secretary of State for Foreign and Commonwealth Affairs. He said :

At times the public declarations of government will not be as exhilarating as, for instance, some of the highly articulate statements of famous exiles from Eastern Europe or elsewhere. Their message, as an appeal to individual hearts and minds to stand up for humanity, carries conviction. I applaud their courage and also those individuals in our society who respond so generously to their appeal. Governments may have a less declaratory message, for a government's first task is to help provide and sustain the framework of peace and security within which human rights can be discussed, championed and enlarged. Open debates can only deepen understanding of these complex issues, and I am confident that the supporters of détente

have everything to gain and nothing to lose from wide-ranging public discussions.

May I, Mr President, say how grateful the Council of Ministers have been for the contribution of Parliament this afternoon to that wide-ranging discussion.

President. — I call Mr Johnston.

Mr Johnston, rapporteur. — I can also take the opportunity to be very brief, because I see no point in repetition. I think we have had an extremely productive debate. I, like other speakers, was pleased at the reaction that we had from the President-in-Office of the Council, and also indeed with the opinions expressed by Mr Haferkamp on behalf of the Commission. I think we have spent a very useful day. I think we have shown a great deal of unanimity on very fundamental democratic matters, and I think that we will look back on this day with a great deal of satisfaction.

President. — I think that today's debate not only does this House credit but is also bound to have an effect on the other institutions of the Community, as well as on the national governments and public opinion.

The joint debate is closed.

We shall now consider the motion for a resolution contained in Mr Johnston's report (Doc. 89/77).

I put the first four recitals of the preamble to the vote. These recitals are adopted.

On the fifth recital of the preamble I have Amendment No 6 tabled by Mr Galluzzi :

This recital to be worded as follows :

'— considering that the Final Act of Helsinki has aroused legitimate expectations in all citizens of the signatory countries who are deprived of such rights.'

What is the rapporteur's position ?

Mr Johnston, rapporteur. — I would simply say that this particular recital was discussed at some length in the Political Affairs Committee. I think that the formula that we worked out and laid out in the motion for a resolution is clearer than that proposed by Mr Galluzzi, so I would ask the House to retain the existing text.

President. — I put Amendment No 6 to the vote. Amendment No 6 is rejected.

I put the fifth recital to the vote.

This recital is adopted.

After the fifth recital of the preamble, Mr Galluzzi has tabled Amendment No 5 :

After the fifth recital insert the following new recital
'— considering that the development of détente will constitute a major contribution to the future affirmation of human rights.'

President

I call Mr Sieglerschmidt.

Mr Sieglerschmidt (D) — I should like to give this amendment, which corresponds exactly to what we in the Socialist Group stand for, my unreserved support. Moreover, I think it is not just a Socialist amendment but a product of this debate and as such in fact deserves the support of the whole House. I should therefore like to call on you to approve this amendment by as large a majority as possible.

President. — I call Mr Bertrand.

Mr A. Bertrand (NL) — Mr President, I should like to draw Mr Sieglerschmidt's attention to the fact that there is nothing extraordinary about Mr Galluzzi's amendment. He is, after all, proposing to delete subparagraph (b) of paragraph 2, and if subparagraph (b) is deleted, then this amendment obviously comes in. But if we retain subparagraph (b) there is thus no point in Mr Galluzzi's amendment, which we should therefore reject.

President. — What is the rapporteur's position?

Mr Johnston, rapporteur. — Obviously I can only speak for myself in this regard, in that the committee has not had an opportunity of discussing this particular amendment, but it seems to me in terms of logic, that what Mr Bertrand has said is the case. One either approaches Helsinki saying that détente and human rights are interlinked and inseparable, and will proceed in concert together, or one takes the other view, which Mr Galluzzi appears to be promoting, that first you have détente, and perhaps some time later you have human rights. I really do not think that that reflects — and I would ask indeed Mr Sieglerschmidt also to contemplate what he has said — I do not think this reflects either the intent of the motion as a whole or the general feeling of the House this afternoon, so I would personally argue for not accepting this amendment.

President. — I put Amendment No 5 to the vote. Amendment No 5 is rejected.

I put the sixth recital of the preamble and paragraph 1 to the vote.

These are adopted.

On subparagraph (a) of paragraph 1, I have Amendment No 4, tabled by Mr Galluzzi:

Replace this subparagraph by the following two subparagraphs:

(a) to do its best to ensure that the preparatory meeting to be held in Belgrade in June 1977 runs smoothly and meets with complete success;

(b) to adopt and uphold at this meeting a joint position to ensure that all the principles and provisions of the Final Act of Helsinki are respected by all the signatories;

I call Mr Galluzzi.

Mr Galluzzi (I) — Mr President, I feel that the gist of this amendment, too, was given in my previous speech. Moreover this addition that we are proposing is suggested in the report by Mr Radoux on the preparatory meeting in Belgrade and, given that the two things are in themselves fairly closely connected, we feel that inserting this last recital adds to the clarity of the present motion.

President. — What is the rapporteur's position?

Mr Johnston, rapporteur. — Mr President, I regret that I don't really see that it does make matters very much clearer. I am not sure whether it is an appropriate use of language to suggest that a Communist speaker is being pious, but I would suggest with respect that the suggested new paragraph 2(a) is very pious indeed. Obviously, the participants at Belgrade will do their best to make the conference run smoothly. Equally obviously, none of us in any possible way can expect complete success: we must be rational about this, we are not going to get it, so I am not at all sure about the purpose of putting it down. As to the existing paragraph 2(a), I think this covers successfully the proposed new paragraph (b) and I don't really see that there is any particular merit in making the change. My objection is not founded on any principles, because I don't see any great principles involved.

President. — I put Amendment No 4 to the vote. Amendment No 4 is rejected.

I put subparagraph (a) of paragraph 2 to the vote.

Subparagraph (a) of paragraph 2 is adopted.

On subparagraph (b) of paragraph 2 I have Amendment No 3 tabled by Mr Galluzzi, seeking to delete this subparagraph.

What is the rapporteur's position?

Mr Johnston, rapporteur. — This is the argument that we already have had with regard to the intended insertion of a new part of the fifth recital of the introduction, so I don't think there is anything to add to what I said then. The two points are interlinked, and if you had accepted the change in the recital proposed by Mr Galluzzi, then you would equally and logically have had to accept the deletion of this paragraph; but you did not accept it, so I don't think you should accept the deletion either.

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

I put subparagraph (b) of paragraph 2 to the vote.

Subparagraph (b) of paragraph 2 is adopted.

President

I put subparagraph (c) of paragraph 2 to the vote.

Subparagraph (c) of paragraph 2 is adopted.

On subparagraph (d) of paragraph 2 I have two amendments :

- Amendment No 2, tabled by Mr Galluzzi, seeking to delete this subparagraph ;
- Amendment No 7, tabled by Mr Sieglerschmidt on behalf of the Socialist Group :

This subparagraph to be worded as follows :

'(d) to adopt a common position towards the governments of the countries where human rights are violated ;'

I call Mr Galluzzi.

Mr Galluzzi (I) — I withdraw the amendment.

President. — Amendment No 2 is thus withdrawn.

I call Mr Sieglerschmidt.

Mr Sieglerschmidt. — (D) Mr President, ladies and gentlemen, I think that for the rapporteur's benefit an explanation is needed. In the Political Affairs Committee Mr Johnston had in fact proposed an amendment on this point and as so often happens, Mr President, this had very different versions in the various languages. In the committee I voted for the German version, which is now contained in the Socialist Group's amendment. This version proposes that the governments of the Nine should have a common position on the question of human rights. What is in the text we were originally asked to vote on today goes much further and is not, in the Socialist Group's view, practical. It refers to interventions and to representations, in other words actual measures taken to influence other States. We take the view that it is wrong here to talk of measures to be taken, but that the important thing is simply to affirm that whenever the question of human rights — which should not be so much a question of individual interventions but, if I may say so, rather a kind of working principle for our governments and the Community — comes up, there will be no going it alone but a common position. That is what we want to ensure, and we therefore ask you to agree to this version.

President. — What is the rapporteur's position ?

Mr Johnston, rapporteur. — Mr President, I quite understand the linguistic problems which obviously beset Mr Sieglerschmidt, but I don't, I am afraid, agree with the actual view that he has expressed now that he has expressed it. It is true that, quite obviously, the amendment as put down by him on behalf of the Socialist Group is quite different in intent to the words in the motion for a resolution. I will read them both out, just to make it clear in case there are any other linguistic problems : in the motion for a resolution, it says : *to be ready to make joint representations*

to the governments of the countries where human rights are violated ; and in the amendment proposed by Mr Sieglerschmidt, it says : *to adopt a common position towards the governments of the countries where human rights are violated*. Now, first of all, we are not talking about individual interventions, which is what is Mr Sieglerschmidt referred to at the end of his remarks, because all this relates back to the leading phrase at the beginning of paragraph 2 : *Calls on the institutions of the Community and on the Foreign Ministers of its Member States meeting in political cooperation* to do these various things, so what is proposed is that if there are any representations — and there is again a distinction to be drawn between interventions and representations — the intention was that these should be done in concert, together, by the institutions of the Community, *not* by individual countries on behalf of the Community. Now you may say 'Why?' Essentially, it is a question Mr Yeats mentioned during his contribution, that really in the end it is becoming increasingly absurd that we take up attitudes — sometimes even take up common attitudes, as we have done today — and then what do we do ? We sit together and we wring our hands and we say it is all very sad and we don't do anything about it. No, this suggestion here is really extremely mild, all one is saying is that it would be right to forget the old argument, at least in the case of human rights, that all these matters are the internal matters of the sovereign country and not subject to external interference and that the institutions of the Community, meeting together, if they agree that a violation of human rights takes place, if in other words they are able to achieve what Mr Sieglerschmidt and the Socialist Group decide as a common position towards the violation of these rights, then it is reasonable to allow them to go a step forward and, if they agree it is appropriate — it may be public, it may be private, but if it is appropriate — to make representations to the government of a country where these violations are taking place.

That is the point and the object of that part of the motion for a resolution. I think it is important, and I hope that Mr Sieglerschmidt would, having contemplated this, reconsider pressing his amendment.

President. — I put Amendment No 7 to the vote.

Amendment No 7 is rejected.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

After paragraph 2 I have Amendment No 1, tabled by Mr Cousté, Mr Schuijt and Mr Scott-Hopkins :

After paragraph 2, insert a new paragraph worded as follows .

'2a undertakes to defend human rights and fundamental freedoms in its own external relations and interparliamentary contacts ; expects initiatives and specific proposals from its Working Party on Human Rights,

President

and instructs its Political Affairs Committee to report to it regularly on this matter;’.

I call Mr Cousté.

Mr Cousté (F) — Mr President, in the course of this debate we have paid particular attention to examining this motion for a resolution down to paragraph 2, in order to establish what can reasonably be done. I think it would be a good idea not to forget that we, as Members of Parliament, can take action ourselves — in the form of the influence this House can exert in meetings with other parliamentarians.

That is why, together with Mr Scott-Hopkins and Mr Schuijt, and with the support of Mr Sieglerschmidt, I think it would be useful, Mr President, for us to say that we ourselves undertake to remember, in our own relations with other parliaments, the importance of ideas or action for the question of human rights and fundamental freedoms and that we also expect concrete proposals from the Working Party on Human Rights.

President. — What is the rapporteur’s position ?

Mr Johnston, rapporteur. — Well, Mr President, this amendment seems to me to be very unexceptional. In other words, I see no reason to object to it. On the other hand, it has got some positive merit in that, as Mr Cousté explained, it is directed towards ensuring or underlining that the working party which, as Members will know, so far has basically been operating in conjunction with representatives from the United States House of Representatives, should concentrate on initiatives and specific proposals, and that in fact the Political Affairs Committee itself also should keep the matter under regular review. I would have thought this a reasonable, sensible and constructive proposition ; so, personally speaking again — this has not been discussed in the Political Affairs Committee — I would argue that the amendment should be accepted.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, would you be so kind as to tell me when and by whom a Working Party on Human Rights was instituted in this House ?

I am not aware that the European Parliament has ever instituted such a working party. If you assure me otherwise, Mr President, I shall willingly stand corrected, but I do not think we can vote on the amendment in its present form.

President. — Mr Cousté, when you mention this Working Party on Human Rights, what are you referring to ? Is it a working party already in existence or one that you hope to see instituted ?

Mr Cousté. — (F) Mr President, Mr Fellermaier is asking when and how this working party was created.

The only one I know is the Working Party on Human Rights made up jointly of members of the European Parliament and representatives of the United States Congress. This is a working party established within the delegation for relations with the United States Congress. It is thus in fact very restricted.

President. — Mr Cousté, do you thus intend to entrust to a mixed working party the task of coordinating Community action in this field ?

I doubt whether it is possible for us to take such a decision without, among other things, having consulted the members of this mixed working party which as such also comprises representatives of another parliament.

I would draw your attention, Mr Cousté, to this very delicate point.

Mr Cousté. — (F) Mr President, there are two parts to my amendment. The first part must, I think, be retained. As to the second part, since the question has been raised of the consent of the other party within the delegation for relations with the United States, i.e. our colleagues from the United States Congress, this could — and this would be more sensible — be withdrawn.

It can be introduced at a later stage, when we feel the moment is right to go ahead. For the time being, we can let it drop.

On the other hand, as far as relations with other parliaments are concerned, I think we can retain the first part. If you wish, therefore, I would suggest that we have a vote on the first part of this paragraph 2a. As to the second part, if the House prefers I am prepared to withdraw it.

President. — Mr Cousté, with the consent of the House, I thus regard only the first part of your amendment as being still before the House.

I call Mr Sieglerschmidt.

Mr Sieglerschmidt. — (D) Mr President, I had already talked to Mr Cousté about changing the first sentence. If it says here : ‘undertakes to defend human rights and fundamental freedoms in its own external relations and interparliamentary contacts’, then I imagine that if I go with a delegation to an African State in order to defend human rights there I could possibly get into difficulties about how to actually do so with this delegation. This is not at all to say that the question of human rights should be avoided on such a trip, but still this wording seems to me to be rather too strong, and I should therefore like to propose saying : ‘undertakes, in its own external relations and interparliamentary contacts, to bear in mind the question of human rights and fundamental freedoms;’

Sieglerschmidt

Now there is no toning down here, let us be clear about that. It simply seems to me to be a more appropriate version and I should be glad if we could agree on this wording.

President. — Mr Cousté, are you willing to accept this change to the amendment?

Mr Cousté. — (F) Mr President, there are two considerations here: firstly, this is in line with my own thinking, and secondly I should like us to be unanimous among ourselves in adopting this undertaking for our relations with other parliaments. I think in fact that one must always be willing to consider one's colleagues' ideas, especially when they ultimately come down to the same thing with regard to what I might call illustrating our preoccupations by defending human rights.

President. — If Parliament has no objection to the oral change in the amendment, I would ask Mr Sieglerschmidt, in order to avoid any misunderstanding, to read out what would be the exact wording of the new version of the amendment.

Mr Sieglerschmidt. — (D) The proposed amendment would read as follows:

(The speaker then read in French)

undertakes, in its own external relations and parliamentary contacts, to bear in mind the question of human rights and fundamental freedoms.

President. — I put Amendment No 1, as modified orally, to the vote.

Amendment No 1 is adopted.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

I put to the vote the whole of the motion for a resolution, as amended by the amendments which have been adopted.

The resolution thus amended is adopted.¹

8. Agricultural prices (resumption)

President. — Before moving on to the next item on the agenda, I should like to ask the House to decide on the problem raised at the beginning of this afternoon's sitting with regard to the Commission's statement on the agricultural question.

I call Mr Spicer.

Mr Spicer. — Mr President, might I especially ask you, if there is a statement to be made — and I think we, as a Group, would accept the need for that statement to be made — that it should be made tomorrow morning, when all Members of this House can be informed that it is going to be made. If we make it at

this point, then many of those people who have been very active in pressing for this statement will not be present to hear it, Sir. (Cries of 'Why?' from the Socialist benches.) They can't be here all the afternoon, that is the reason, and because they are about other business. (Laughter from the Socialist benches.)

Sir, as far as I am concerned I would ask you if you could delay this until tomorrow morning. I am sure the House would respect your wishes in this matter. We would wish to hear a statement from the Commission. It is a sad thing, in my view, that we didn't hear that statement earlier this afternoon, but I personally understand, though I do feel the Commission, if I may say so, was at fault in not informing you before the sitting resumed this afternoon that that statement, if it were made, would be a very brief one indeed.

That is my view. Mr Scott-Hopkins, who has just arrived, may feel differently about it. As far as I am concerned, I feel it would be much better if we could hear this at the commencement of business tomorrow morning.

President. — Mr Vredeling, could you tell us whether you can also be here tomorrow morning in order to make your statement?

Mr Vredeling, Vice-President of the Commission. — Mr President, I understand the Commission's statement. I am at the disposal of Parliament, and I shall in fact be here tomorrow. Mr Gundelach has asked me to take his place. I can make the statement now — and it will indeed be a very brief statement — or I can make it tomorrow morning; I am happy to leave it to Parliament to decide.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, I would love to hear Mr Vredeling whenever he wishes to make the statement. Of course it is to the Council that one should really be making the statement. If Mr Vredeling wishes to make it and it is the wish of the majority of the House that it should be made this evening, I will not stand in the way.

If the Commissioner doesn't mind, then, and as there is an item on the Order Paper for tomorrow morning, standing in my name and my group's name, perhaps it might be more appropriate if he made his statement tomorrow morning at that time.

President. — I consult the House on the proposal to place the statement by the Commission on agricultural prices at the beginning of tomorrow morning's agenda.

The proposal is adopted.

I call Mr Cousté on a point of order.

¹ OJ C 113 of 6. 6 1977.

Mr Cousté. — (F) Mr President, I should like to know whether we are going to continue the sitting without a break until we have finished the agenda, or whether you propose a night sitting.

President. — I think the sitting can be continued until the agenda is finished without any need for a night sitting. However, in order to avoid going on too late I should like to ask all speakers to be as concise as possible.

9. Security and cooperation in Europe

President. — The next item on the agenda is the debate on the report by Mr Radoux, on behalf of the Political Affairs Committee, on the preparatory meeting of 15 June 1977 in Belgrade as provided for by the Final Act of the Helsinki Conference on Security and Cooperation in Europe (Doc. 90/77).

I call Mr Bertrand.

Mr A. Bertrand, *chairman of the Political Affairs Committee.* — (NL) Mr President, Mr Radoux is unable to be here today owing to urgent political business in his own country. On such occasions it is customary for the chairman of the appropriate parliamentary committee to replace the rapporteur when his report remains on the agenda.

Mr President, I should appreciate it if the two reports drawn up by Mr Radoux could be taken at the same time since they virtually run into one another. Both deal with almost parallel subjects.

At the time of the Helsinki Conference the Political Affairs Committee requested Mr Radoux to draw up a report and to follow further developments. People generally refer to the Belgrade 'Conference', but what in fact is meant is the preparatory meeting on 15 June of this year. The follow-up to the Helsinki Conference provides for a preparatory meeting to be held on 15 June 1977 — this date is given in the Final Act of Helsinki — to pave the way for a conference. The agenda for this conference will have to be agreed at the 15 June meeting and all the necessary steps will have to be taken to organize a conference at a later date.

We consider that it is extremely desirable for Parliament to make its views known on the way in which this second phase of the developments proceeding from the Helsinki Final Act should be approached. For this reason the Political Affairs Committee considered it advisable to submit a motion for a resolution for Parliament's approval in which we ask expressly that in the evaluation of the Final Act of Helsinki and the study of the way in which it has been implemented during the last two years, the various provisions of the act should be carefully examined and we should avoid polemics or confrontation in assessing what has been achieved.

We take the view that priority must be given to putting into effect everything that was provided for in the Helsinki Agreement. This applies both to political problems, questions of security, economic problems and human rights. For this reason this preparatory meeting in Belgrade must be seen as a continuation of the necessary policy of détente, but a policy of détente as we understand it within the European Community. We believe that détente and respect for and recognition of human rights must go together.

We must ensure that the Belgrade Conference does not take place behind closed doors. It must be a public conference so that every one can follow the debates in full.

In addition, a serious and thoroughgoing debate on the content of the Helsinki Agreement must be possible. No new proposals should be made for this would involve a risk that the study and assessment of the agreement would be neglected. This could mean that we would end up with a new vacuum.

We must also be careful to avoid polemics which could endanger the continuation of the talks on security and cooperation, but at the same time we must let it be felt the dissidents who appeal to the principles of the Final Act of Helsinki can rely on our normal support and cooperation. Finally, the Helsinki Agreement also embraces the continuation of endeavours to achieve disarmament, and for this reason we have requested that the Radoux report on the reduction of armed forces should be taken together with the report on the Belgrade Conference.

To sum up, I should like to say that we believe that these two motions for a resolution indicate that Belgrade should be a new phase in the development of the Conference on Security and Cooperation in Europe. A balance sheet must be drawn up in Belgrade listing all the results so far achieved under the Helsinki Agreement. The aim must be to give a new impetus to further détente, and to improve economic cooperation. The Belgrade Conference must have the objective of castigating every single violation of human rights in the future, and of gradually breaking down the artificial wall which currently obstructs the exchange of ideas and persons, for this is in the spirit of the Agreement. Finally, the Belgrade Conference must promote a real détente by stimulating and accelerating a reduction in armed forces and promoting disarmament in the context of the SALT talks. This, then, is a summary of the content of the two motions for a resolution submitted to Parliament for its approval. I should like therefore to ask Parliament to approve these two motions tabled on behalf of the Political Affairs Committee so that Parliament's opinion may be officially recorded.

IN THE CHAIR: SIR GEOFFREY DE FREITAS

Vice-President

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

Mr Sieglerschmidt. — (*D*) Mr President, ladies and gentlemen, I am afraid you will have to put up with me as duty speaker once more today, but in view of the present situation in Parliament, which seems to indicate that we are only speaking for the benefit of history, posterity and the handful of political scientists who study our proceedings, I will be very brief.

Mr President, what are we, particularly the Socialist Group, expecting of Belgrade? The Socialist Group, expects first of all that the question of the implementation of the declarations of intention in all three baskets will receive equal attention and that this will take place in a spirit not of confrontation but of cooperation, to quote President Carter. Secondly we expect, as we should, that the link between the Helsinki follow-up and the 'progress' we hope for in the MBFR talks will be maintained. This, Mr President, was an important question even before the Helsinki Conference and we would like to make it clear once more — and this should be done in Belgrade too — that the question of political security — which after all is basically an aspect of the consequences of Helsinki — and the question of military security, cannot be considered in isolation, for they are interdependent.

Might I take this opportunity of pointing out, Mr President, that for this very reason we felt that a combined debate would have been more useful, i.e. a debate dealing with both rights — which are clearly inextricably linked with Helsinki — and MBFR negotiations. I would like to make just one advance observation on this point.

Is it really a good idea for Parliament to make decisions regarding the MBFR negotiations here today? This is a serious question, Mr President, and as things stand — though we must discuss this in further detail in the Political Affairs Committee, Mr Bertrand — I can only answer in the affirmative if I assume that the MBFR negotiations can be regarded to a certain extent as complementary to Helsinki.

Finally I feel that what we should do in Belgrade is try to ensure that something is achieved in the direction of practical cooperation, which is in fact already mentioned in the Final Act — possibly in fields such as environmental protection or transport. I should also like to draw attention — and I will do this now as I think it may possibly shorten the debate — to the amendment to paragraph 5 of the motion for a resolution which I have tabled. I do this with a clear conscience since it is really only for technical reasons that it

was tabled by me rather than by anyone else. Since this amendment has the support not only of the Socialist and Christian-Democratic Groups but also, as I have just heard, of the Conservative Group it may not be necessary to discuss it at length. It does not contain anything fundamentally new, but is merely intended as a clarification of the intentions of paragraph 5 and I should just like to ask for purely terminological reasons that the expression 'countries with planned economies' be replaced by the usual term 'state-trading countries.'

Finally, we in the Socialist Group would like to draw attention to the item in the motion for a resolution dealing with the relations between Comecon i.e. the Council for Mutual Economic Aid and the European Community. We feel we should stress that these are two organizations with very different competencies and internal structures, so that this fact will be taken into account in the future work — which we welcome and hope to promote — of cooperation between the Council for Mutual Economic Aid and the European Community.

Mr President, in our view the whole purpose of the follow-up to Helsinki should be to establish an even stronger network of relations between the signatories of the Helsinki Conference, from which it will be difficult for an individual State or group of States to withdraw without damage to itself. Our aim is to make peace in Europe more certain by means of extremely persistent and tenacious efforts, some of which will have to be made in all sorts of apparently remote areas.

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

Mr Granelli. — (*I*) Mr President, this afternoon's debate on human rights was on a high ethical and political plane and provides the moral background for the more specific issue which we are about to examine.

Mr Bertrand and other colleagues of the Christian-Democratic Group today stated in unmistakable terms that violations of human rights, wherever they occur, constitute for us an issue involving codes of conduct and ideals which is not subject to the rules of propaganda or cynicism.

In other words, we have no intention of dividing the world into two parts, one presided over by the forces of evil and the other by the forces of good, but we do feel that throughout the world the problem of safeguarding the individual's right to live, work, express his opinions, think and disagree is one of the fundamental elements of civilization and must be resolutely upheld wherever it is threatened

Granelli

Mr Haferkamp added during the same debate that we should also realize that exhortations are not enough in respect of such an important issue: action, too, is also needed, but at the same time we must take account of the differences which exist.

Countries and ideas vary, as does the approach to history, and we cannot expect appraisals to be unanimous in this respect. We can, however, make a positive and realistic effort to influence the events of our time and thereby more effectively safeguard these values which we cherish.

The follow-up to the Helsinki Conference in Belgrade is, as I see it, a first check on the readiness to back up with action our desire to see an improvement in the world situation as a whole.

At this point, Mr President, ladies and gentlemen, I should like to mention briefly that before the signing of the Final Act of Helsinki there were many sceptics, even in Europe, who felt it was a futile ritual, an agreement which would be meaningless; indeed, they felt that it could even jeopardize the development of relations between countries and peoples. Today, a year later, we see that, on the contrary, everyone — including perhaps those who were most sceptical — is calling for full implementation of the Final Act of Helsinki.

This is a welcome development and shows that the consensus has grown as to the usefulness of an important international act which as Mr Ajello quite rightly pointed out earlier, is admittedly not a treaty, but nevertheless calls upon those who signed it to take steps to safeguard and protect certain values.

If there had been no Helsinki, if we were still in a climate of cold war and if security were to be equated with fear, the resulting situation would provide an alibi for whoever wanted to prevent the shift towards peace and détente by pursuing a policy of repression.

It is therefore clear that, far from being a futile exercise, Helsinki has opened the door to possible improvements in the field of human rights, disarmament, cooperation between countries with difficult social and political systems, and international détente. It has helped us to move in the right direction, and encourages us to ensure that yesterday's sceptics do not now become diehards who could perhaps use these agreements to return to a climate of tension, cold war and confrontation which would end up once again by providing cover for those who take advantage of a concept of security based on fear to repress dissidents or anyone holding different opinions on the movement of history.

Consequently, we say at once that the spirit of Helsinki must continue to advance gradually, both during the first preparatory stage which begins in June and during the far more solemn and significant stage to commence next autumn.

We must attend this conference fully aware of its importance to public opinion in all our countries. There is a growing feeling that we must go to Belgrade in a constructive frame of mind, especially now that a number of organizations, some of them international organizations, have slowly come round to accepting the usefulness of safeguarding détente, disarmament, human rights and economic cooperation among the various peoples of the world.

I am referring — just to mention the most important — to the Council of Europe, the Western European Union and other organizations which have expressed similar views.

The European Parliament should today strive to coordinate at the highest level the moral, political and civil pressures which are pushing us in this direction.

It is right to take account of the pleas made by all these international organizations, but it should not be forgotten that we have a specific responsibility. In Helsinki the Final Act was signed by the European Economic Community in its own right and the European Parliament, which acts as the mouthpiece for all the peoples of the Community through the various members, is actively engaged, not in reversing the trend to follow up what was achieved in Helsinki, but in consolidating it unreservedly in all its significance.

The first important point is that we must go to Belgrade, as the European Christian-Democratic Union stressed at its recent meeting in Geneva, with clear, resolute and constructive aims, determined not only to avoid propaganda, but to speak out on the important issues.

In the light of this moral approach we feel that the baskets which go to make up the Final Act of Helsinki constitute an indivisible whole.

Détente goes hand in hand with the protection of human rights. These rights cannot possibly be protected unless we also remove the obstacles to the free movement of ideas and persons from State to State and country to country. This can be achieved only if we find also more specific and effective instruments to back up our policy of economic cooperation. By the same token, the whole situation could be jeopardized if, in the context of the mutual and balanced reduction of armaments in central Europe, the balance of power and armaments is not replaced by a balance of trust and security based on peace and détente. Consequently, our request is very specific. Not a single clause of the Final Act of Helsinki must be neglected. It must be implemented realistically, but in full, and, I repeat, without provocative intent but also without reticence or silence which would be tantamount to an admission of guilt. Rights and freedoms must therefore be protected, but we must try to avoid what has happened in some cases, that is, making an issue of the nature of dissent.

Granelli

I do not wish to go into an analysis here of the opinions of intellectuals who hold dissident views vis-à-vis the State in which they live. Nor do I consider that the freedom of opinion is controlled or restricted only in Socialist states or in the Soviet Union. We have been given a fairly alarming survey of the situation throughout the world. Nevertheless, my own feeling, based on our moral and political beliefs, is that idea must be met with idea and dissent with the force of conviction.

Opinions, disagreements, criticisms and ideas should not be answered with repression, prison, asylums or psychiatric hospitals. Similarly, the protection of fundamental rights should not be used as a pretext for infringing the sovereignty of States and peoples who must develop according to their own internal logic towards the safeguarding of these rights.

Consequently, in Belgrade the observance of these basic rights must be monitored, as must the removal of obstacles to the free movement of persons, ideas, and cultures. The growth in economic cooperation, too, must be assessed.

On behalf of the Christian-Democratic Group, I should like to say that we approve the Socialist Group's amendment which sets out more clearly the methods, the limits and the scope of economic cooperation. This cooperation is no easy matter, in that economic systems which have widely differing legal bases and criteria are required to work together.

Nevertheless, efforts must be made in this field too if we want the general negotiations on the reduction of arms in central Europe to make greater headway.

The negotiations in Vienna are obviously not enough. As I see it, the reduction of conventional forces in central Europe is — in some respects — indissolubly linked to the success of the other more important round of talks: the SALT negotiations on nuclear armaments.

However, since Helsinki raised hopes that the peoples can believe in peace based on trust and not on fear, it is clear that good will is needed here too; otherwise détente could lead to a consolidation of the political blocs, rather than to the release of the moral, intellectual and political energies which exist in all peoples and under all regimes.

Real progress in the negotiations on the balanced reduction of armaments in central Europe can therefore go a long way to ensuring that the two super-powers, the Soviet Union and the United States, resume the SALT negotiations on nuclear armaments in a constructive frame of mind.

That is why, Mr President, ladies and gentlemen, we feel that we must go to Belgrade with clearly defined aims as regards human rights and basic freedoms, as regards freedom of opinion, the freedom of movement and the freedom to undertake visits and cultural

exchanges, determined to pursue our policy of economic cooperation and finally to achieve a reduction of armaments and guarantee peace.

When we advocate full implementation of the Final Act of Helsinki we are also thinking of the clause on cooperation and security in the Mediterranean.

We agree with those who stated that we must not add to the agenda as it stands other items which could divert attention from our essential task of monitoring what has been achieved.

However, we are all well aware that there can be no détente or cooperation in Central Europe unless peace and security is established in the Mediterranean, unless the Middle East conflict is brought to an end and unless the talks on the reduction of military tension also cover the Mediterranean.

The creation of a sense of security on our continent is indissolubly linked with achieving security and cooperation in the Mediterranean. This is a matter of great concern to Italy and should be to the whole Community since it knows that its future peace, cooperation and development depends on the Mediterranean as well as on the dialogue between East and West.

It is in this spirit that we feel we must and can, with the inclusion of the amendment that has been tabled, wholly approve the resolutions proposed.

Naturally, it will not be easy to go to the Belgrade Conference in the frame of mind which we have outlined. But it is the only way to fulfil the aspirations which we have all, in our own ways, proclaimed during this afternoon's debate.

If, contrary to expectations, Belgrade proves a failure and there is a return to tension and cold war, if it is shown that the Final Act of Helsinki amounted to no more than a record of proceedings and was not the key to a better reality, it will be a mortal blow to all our hopes for improvement, development, progress and détente.

Consequently, we must go to this conference with a sense of proportion, but also with determination. It must be prepared carefully in order to avoid the risk, mentioned earlier, of détente being interpreted in two ways. There could be détente between one power and another, which preserves the *status quo* and leaves the small- and medium-sized nations subordinated to the powerful nations instead of free to channel their own moral energies in the right direction.

This, however, is not the détente which we must hope for. The détente to which we must aspire is that which liberates moral and political forces. In sum, Mr President, Belgrade must be neither a tribunal for propaganda to lead us back to a cold war which would jeopardize the implementation of the Helsinki Agreement, nor a forum for pointless and evasive academic debate on the fundamental issues of human rights, cooperation and disarmament.

Granelli

This is how we feel, and we hope that the Commission and the Council of Ministers, with the backing of Parliament, can show that Europe can make a positive contribution to détente in the world.

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

Mr Cifarelli. — (I) Mr President, ladies and gentlemen, I consider myself very fortunate in that the two reports by Mr Radoux have been amply dealt with during the previous debate by Mr Johnston, as rapporteur for our Group, and by Mr Berkhouwer in his authoritative and perspicacious speech. I shall not therefore elaborate on what has already been said and shall resist the temptation to quote some of Amnesty International's findings, to read out what today's issue of *Le Monde* has to say on the arrests in Poland and to repeat what was said at a recent congress in Paris on the subject of the thousands of Jews waiting for the opportunity to emigrate to Israel.

Any return to the Cold War, Mr Granelli, would depend on us only to a very minor extent. As regards Helsinki, and consequently the two forthcoming Belgrade conferences, the preparatory meeting and the subsequent meeting of representatives appointed by the Ministers of Foreign Affairs, the prime objective of Europe, of the Community — disjointed and still non-existent as a political entity — must be to avoid being left waiting at the door. Let us not forget that during the previous talks in Helsinki the President-in-Office of the Council spoke on behalf of his own country, but had to make it clear that he was also representing the Community. This Community inferiority must end if we want to make an impact on public opinion and the governments of the Member States at these conferences and if we want the presence of the Community in its own right to gain weight.

Those who proposed the Helsinki Conference, in other words largely the Communist countries of Eastern Europe, hoped that it would lead to recognition of the frontiers established after the Second World War. This strategy backfired because, by its Declaration on the respect of human rights, fundamental freedoms and human dignity, Helsinki has become a beacon. It has turned out to be a landmine for all — I repeat — *all* political systems which violate these basic freedoms. The new President of the United States has issued a warning on this point. Mr Carter has also pointed out that Russia has built up in Europe an excessive stock of arms which could well lead to another cold war. We must therefore hope that the two superpowers resume the SALT negotiations and that progress can be made as regards the limitation of arms in Europe.

With regard to the Helsinki Agreements, particularly the clause concerning human rights, we must take part in these talks free of inferiority complexes and

above all, careful not to be deceived by empty promises and waffle in the place of real progress. On the economic front our aim must be to improve cooperation which should not involve economic blackmail, but increasingly well-prepared reciprocal agreements. Our feeling is that what at present amount to mere preliminary contacts between Comecon and the Community should be developed in a far-sighted and constructive spirit. On the military problems, which were clearly outlined by Mr Radoux, I should like to recall that the purpose of the MBFR negotiations which got under way in Vienna in October 1973 is to contribute to a more stable relationship and to consolidate peace and security in Europe.

As for one part of Europe, the continental part, we must make clear as a Community that any agreement which gave rise to discrimination, or situations of inequality between Member States of the Community, could prove to be an obstacle to European Union. Let us therefore see to it that the Community speaks with a single voice, and let us keep this essential requirement in mind.

In addition, Mr President, I should like to recall that this determination to reduce gradually the land forces of the Atlantic Alliance has gained so much ground under the pressure of circumstances that a proposal has been made to fix a ceiling for these forces and to extend this criterion to forces of other types. In December 1975, the Western nations put forward a proposal to reduce important nuclear components coming from the United States and to include under this 'common ceiling' all military personnel in Europe, including airborne forces. This is the situation as the 12th session gets under way in Vienna.

For our part we wonder whether progress can be made at this session since the geographical factors involved put us at a disadvantage and since we do not wish to prolong a situation in which the Warsaw Pact countries, i.e. the Communist countries, have superiority in conventional weapons over the other countries, i.e. mainly the countries of our Community.

In the face of these serious problems, Mr President, ladies and gentlemen, we must not lose sight of their implications for the Community, particularly as regards the control and standardization of weapons and the future role of the Community.

About a year ago, Mr President, following a proposal from Lord Gladwyn — then an influential member of our Group and of this House — Parliament adopted a resolution in this connection.

We feel that our participation in the Belgrade conference must be free from preconceived and therefore unproductive ideas, but accompanied by a realistic awareness of difficulties which cannot be made less acute or eliminated by mere words. Above all, the Community must here too speak with a single voice, look to its own general interests, gain respect as a

Cifarelli

political entity and refuse to accept pre-arranged situations of inequality amongst its constituent parts.

This I know very well to be a particularly thorny problem in the face of which powers are limited. As long as Europe continues to be what it is, we will be neither the third nor the fourth 'great' power in the modern world. On the contrary, we could well become virtual colonies in disguise, or rather restless protectorates. It is true that the main justification for European union and the renaissance of freedom are bound up with détente. In my view, however, the benefits of détente should never be bought at the cost of surrendering one's principles and abandoning the values of freedom. Summing up, I should like to say in a personal capacity and on behalf of my Group that we support the careful and clear-sighted arguments put forward by the rapporteur, Mr Radoux, and we will vote for these motions for resolutions. We hope that Parliament's public stand will make increasingly clear to the citizens of Europe the importance of European union today and the need for European union tomorrow.

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

Sir Derek Walker-Smith. — Mr President, I am not going to direct myself this evening to the generality of the matter of fundamental rights. This has been discussed fully in the earlier debate this afternoon, and I myself said something as to the basic and imperative importance of these fundamental rights in my speech in the March part-session of this Parliament when I had the honour to commend the motion adopting a common declaration of respect for fundamental rights made by the three political institutions of the European Community.

Today, I make only some specific references to the Helsinki Agreement, and in particular to its legal implications, and to the forthcoming Belgrade Conference which, it is hoped, will provide the occasion for further and practical advance. I make, Sir, these propositions to the Parliament. First, I submit that the Helsinki Agreement must be read as a whole, as indeed Mr Cifarelli has just observed in his interesting speech. Declaration 7 affirming respect for human rights, is at least equally as binding as Declaration 1, affirming respect for rights inherent in sovereignty, and as Declaration 3 affirming the inviolability of frontiers, which is itself, of course, subject to the proviso in Declaration 1 that frontiers can be changed in accordance with international law by peaceful means and by agreement.

Secondly, I submit that Declaration 7 is explicit and binding *inter se* between the signatories or contracting parties to the agreement. In particular, there are specific and binding provisions in that agreement relating to respect for human rights, to minorities and

to compliance with the United Nations Charter and the Universal Declaration of Human Rights. As to fundamental rights, Declaration 7: the participating states will respect human rights and fundamental freedoms including the freedom of thought, conscience, religion or belief for all, without distinction as to race, sex language or religion. As to minorities: the participating states on whose territory national minorities exist will respect the rights of persons belonging to such minorities to equality before the law, will afford them the full opportunity for the actual enjoyment of human rights and fundamental freedoms, and will in this manner protect their legitimate interest in this sphere. As to the Charter, in the field of human rights and fundamental freedoms, the participating States will act in conformity with the purposes and principles of the Charter of the United Nations and with the Universal Declaration of Human Rights. May I remind the Parliament, in the context of the Universal Declaration, Mr President, of the express terms of Article 13 (2): everyone has the right to leave any country, including his own, and return to his country.

And therefore, thirdly, I submit that as the agreement is binding *inter se* on the signatories, it therefore follows that the governments and peoples of the participating States have the right and duty not only to confer and observe human rights and fundamental freedom within their own boundaries, but also the right and duty jointly and severally to expect and require observance in the other contracting states. And that right and duty is vested in, among others, the nine Member States of the Community, who should exercise it in close cooperation with other like-minded nations and, of course, with each other within the framework of the Community.

There is, Sir, no substance in the argument sometimes put forward by the Eastern European states and their apologists that international pressures and persuasions directed to compliance with respect for fundamental rights constitutes an interference in the internal affairs of a state or an infringement of its sovereignty. Of course, it is true that under Declaration 6 of Helsinki, participating states are under a duty to refrain from any intervention, direct or indirect, individual or collective, in the internal or external affairs falling within the jurisdiction of another participating state. But, Sir, that has to be read in the context of the Helsinki Agreement as a whole, and in particular of Declaration 7, from which I have quoted. And as participating states contract *inter se* to respect human rights, it therefore becomes a collective and reciprocal obligation. Just as the indivisibility of security is expressly recognized in the Helsinki Agreement, so by clear implication at least, is the indivisibility of human rights, since the Agreement records that participating States recognize the universal significance of human rights and fundamental freedoms.

Walker-Smith

Therefore I submit it is right for Member States individually to be vigilant in this matter and constructively participate in securing recognition of and respect for fundamental rights.

Now it is of course true that *pro forma* the Community is not a party to the Helsinki Agreement, since it is an agreement between participating states. Nevertheless, that duty extends collectively, by implication, to the Community. As a Community and as a Parliament we can only exercise influence indirectly by way of action and appropriate representation through the governments of Member States. This we do, or seek to do, and the current example is the motion adopted by the Legal Affairs Committee as recently as last Monday for a resolution on the protection of human rights with reference to citizens of the German Democratic Republic. That motion will, I hope, in due course commend itself to the Parliament as a whole. The motion, Sir, adopted by the Legal Affairs Committee is temperate and persuasive in tone, not hostile or peremptory. It is also precise in its terms, as becomes a motion emanating from a legal committee, in identifying the specific obligations of Helsinki and the consequences that flow therefrom in the context of the lives of individual citizens, and, in particular, the right of migration.

So far from there being any conflict between détente and the observance of the Helsinki provisions respecting human rights, they are clearly complementary, each reinforces and strengthens the other. That they should do so is clearly a matter of paramount importance. Observance of those provisions of Helsinki which guarantee human rights is vital and indispensable. It is a condition precedent to true détente, and would powerfully assist a successful outcome of efforts at mutual force reduction.

I trust, therefore, that this Parliament and this Community will do what can to promote these great objectives and to achieve this desirable result.

Mr Lemoine. — (F) Mr President, the Helsinki Conference on Security and Cooperation in Europe was an unprecedented event in the history of international relations. It was an important stage in the move towards détente. We should be happy about this, but there is still a great deal to be done. We have to check on violations of the agreement, of course. This is something which has not yet been properly done since the Final Act was signed in 1975. However, we shall have to look at all the ground that has been covered before we reach this stage.

The principle outcome of the Conference was that the rules of coexistence for 35 States — especially States with different economic and social systems — were laid down very precisely. Not so long ago, at the time of the Cold War when peace was constantly threat-

ened, there were those who wanted to erase the systems they did not like from the face of the earth or, failing that, at least ignore them. Nowadays people sit round negotiating tables, and in our opinion this is not a bad thing.

The Conference was the high point of European détente in recent years. The path to it was not an easy one to follow. Just think of the last minute complications which were exploited in an attempt to block the Conference. But this unprecedented meeting did take place, because the peoples of Europe took this idea to their heart and because we, in France for example, fought for Helsinki.

And yet détente is still threatened, particularly by the expansion of the arms race. But détente is our only hope and we must enter the era of disarmament. The Warsaw Pact countries have proposed an agreement whereby neither side would be the first to use nuclear weapons. Is this not a good basis from which to start?

It has been said that the Helsinki Agreement is an indissoluble whole and each part is of capital importance, whether it is a matter of accepting the reality of post-war Europe and committing oneself to developing peaceful relations, increased cooperation in all fields without discrimination on political grounds, or the expansion of cultural ties, including cooperation in the humanitarian field. As for cooperation, there is still a long way to go, and the attitudes of a past age will have to be abandoned.

As far as the Third Basket is concerned, we have always said that any infringement of freedom and liberty, wherever it may occur, is abhorrent to the French Communists. Liberty is the weapon in our fight — it is indivisible. Wherever it is threatened in the world, we shall defend it, now and in the future.

That is why we are in favour of implementing everything in the Final Act which can help the spread of freedom in Europe. We want to help ensure that the Helsinki Agreement become a complete reality. The Final Act must not be a springboard for a crusade which would jeopardize the gains resulting from East-West cooperation. Peace would be at risk, and not only peace but freedom and the rights of man and democracy, since history teaches us that tension and the Cold War have always encouraged anti-democratic policies, hostile to the interests of the people. Helsinki was a great step forward. We must make sure there is no faltering along the way. Our efforts should now be directed towards the next stage, the Belgrade Conference, so that we can make the most of the benefits of détente and peaceful coexistence, and so that we can follow the road of peace towards a settlement of the vital problems of our age.

President. — I call Mr Jahn.

Mr Jahn. — (D) Mr President, ladies and gentlemen, according to the Final Act of the Conference on Security and Cooperation in Europe the purpose of the Belgrade meeting is to proceed to a thorough exchange of views both on the implementation of the provisions of the Final Act and of the tasks defined by the Conference, as well as on the development of the process of détente in the future, in the areas covered by the Conference, namely mutual relations, security and cooperation in the economic, scientific, technical and environmental fields — Basket 2 — and in humanitarian and other fields — Basket 3 which we have already discussed in detail today.

In view of this clear mandate, it seems strange that many Western politicians reiterate the pointed warnings from the East to the effect that the meeting in Belgrade should not be a platform for mutual accusations. The question we should ask is, how can the follow-up conference in Belgrade fulfil its clearly defined purpose except by means of a calm and objective stocktaking of how the declarations of intent have been implemented so far and of the effects of the Conference as a whole?

If this overall stocktaking of the results of the Conference is to show that progress has been made — and we hope it will — we must not shirk from an objective assessment of the facts — including the negative ones. If we dress the facts up for the sake of the Eastern bloc this will only result in a sham détente, which will have all sorts of dangerous consequences for the real security of the West and its awareness of the problems.

What facts, Mr President, must we start from? Firstly, there are the efforts by Moscow to reinterpret and distort the Final Act one-sidedly with a view to subsequently 'correcting' the results of Helsinki in favour of the maximum demands made by the Soviets, which were not satisfied on that occasion.

Secondly, there is the direct implementation of the declaration of intent of Basket 3 of the Final Act and the unexpected extent of the indirect influence the West has had on the dynamics of the emancipation process in the East and its significance for multilateral East-West relations.

Thirdly, there are the effects of Basket 2 on economic and scientific cooperation in Europe and the resultant problems.

Fourthly, there are the effects of the CSCE on military security in Europe and the resultant problems in connection with ensuring peace, détente and the internal development in Eastern Europe.

The first partial stocktaking shows that Helsinki, which was a West-East compromise, has been a disappointment in many fields. However, since the Conference did nothing to change the ideological confrontation, the existing power structures and the conflicting interests and ideas about what form post-war Europe

should take, the struggle since Helsinki has shifted towards phraseology and reinterpretation, and their use in everyday politics. Moscow failed to achieve one of its main aims at the Conference, i.e. the political consolidation and legalization of the territorial and political *status quo* existing since 1945 in Eastern and Central Europe by its recognition in international law by the West. The West was explicitly opposed to this. In particular, the CSCE did not become the substitute peace conference which Moscow had hoped for. The West was only prepared to accept the existing territorial *status quo* temporarily and *de facto* as a point of departure for all future East-West policy in Europe, in that the affirmation of the principles of international law, listed in the Final Act, of refraining from the great or use of force, the inviolability of frontiers and the territorial integrity of States only ruled out the use of force to change the territorial *status quo*. This does not, however, mean stagnation, as the Final Act also makes reference in Principle No 1 to the principle of internal and external self-determination of States and peoples including the sovereign right to change frontiers in accordance with international law, by peaceful means and by agreement, in Principle No 8 to the principle of national self-determination of peoples and in Principle No 7 to the principle of respect for human rights — which we have already discussed here. There is also the clause to the effect that the Declarations does not affect the rights and obligations of participating States, nor the corresponding treaties and other agreements and arrangements. These are the principles which we have evolved and which we must follow if Europe is to change and progress in a peaceful manner.

On the other hand, however, Moscow had to guarantee the *de facto* acceptance of the *status quo* on the part of the West by means of concessions in the form of the declarations of intent regarding increased freedom of movement for persons, ideas and information, things we have discussed here today.

There again, Moscow now wants to use fundamental concepts included in the list of principles, such as the respect of sovereignty and non-intervention, to play down the existence of the self-determination clause. Since it has been said that the concept of peaceful coexistence played a role in Helsinki, I might say now that as a result of Western opposition it was not incorporated in the text of the Final Act and cannot be subsequently read into it either.

Mr President, I have nearly finished. Since Moscow and the Eastern bloc will attempt to distort the principles in Belgrade and continue the ideological confrontation, I should like to say how greatly we regretted the fact that the attempt made by the French President when he visited Moscow in 1975 to complement political détente not only with military détente, but also through a relaxation of the ideological struggle,

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was rejected then as now. The inevitable conclusion which the West must draw from this is that we cannot simply sit back at the Belgrade conference and meekly accept one-sided misinterpretation of the principles contained in the Final Act on the part of the Soviet Union. We must discuss these principles in the same spirit as that in which they were jointly agreed upon.

President. — I call Mr Sandri.

Mr Sandri. — (I) Mr President, although we agree with the general tone which seemed to mark Mr Lemoine's speech, the Italian Communists are going to vote for the motion for a resolution tabled by Mr Radoux. We shall do this because we feel that it is a balanced and unbiased document which sets out the questions to be tackled at Belgrade in a form showing the interdependency of the various baskets. And there is special emphasis on the commitment to seek even greater détente in Europe and the world.

Furthermore, in order to avoid wasting time, we intend to vote for the amendment to paragraph 6 which has been tabled by a Socialist Member. This does not alter the fact that we want to see strengthened relations between Comecon and the EEC, provided that better relations between the two Communities does not preclude the possibility of bilateral agreements between countries of either Community.

As for the resolution on the Vienna negotiations, I am sorry to say that the Italian Communists feel they must abstain from voting on this, even though we agree with the wishes expressed through most of the text, since we feel that it is both anachronistic and premature.

We shall therefore vote in favour of the first motion for a resolution and abstain from voting on the second relating to the Vienna negotiations.

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (I) Mr President, speaking on behalf of the Commission I should like especially to congratulate Mr Radoux on his two reports, and also Mr Bertrand who introduced the two motions. The Commission is particularly keen to see these two resolutions passed, even with the amendment which has been tabled.

I am not going to give any further explanations because I feel that both this debate and the earlier one have been such as to justify fully the Commission's favourable attitude.

President. — The general debate is closed.

We shall now consider the motion for a resolution.

I put the preamble and paragraphs 1 to 4 to the vote.

The preamble and paragraphs 1 to 4 are adopted.

On paragraph 5, I have Amendment No 1 tabled by Mr Sieglerschmidt, calling for this paragraph to read as follows:

5. — to ensure that the concept of reciprocity, as defined in the preamble to Basket Two of the Final Act, is given full effect in relations with countries with planned economies,
- to participate actively in the multilateral implementation of the provisions adopted at Helsinki in respect of Basket Two in the framework of the United Nations Economic Commission for Europe in Geneva,
- to pursue its efforts to improve the conditions for business contacts and information in the economic field,
- to continue its moves towards the conclusion of trade agreements between the Community and individual countries with planned economies on the basis of the Community proposal of November 1974.

I call Mr Sieglerschmidt.

Mr Sieglerschmidt. — (D) Mr President, I should just like to point out once again that for terminological reasons — and I hope that all the others involved agree — I am asking for the words *countries with planned economies* in the first sentence of the amendment to be replaced by *State-trading countries*. It is simply a question of terminology.

President. — I call Mr Bertrand.

Mr A. Bertrand. — (NL) Mr President, I can agree to this amendment, but I should like to point out to Mr Sieglerschmidt that the expression *planned economy* also appears in the penultimate sentence and that this should also be replaced by *State trading*. This therefore involves not only the first paragraph but also the last. So if these two changes are made, I can accept this amendment as a substitute for paragraph 5 in the form adopted by the Political Affairs Committee, since the amendment specifies more clearly what we mean by cooperation in the economic field.

President. — I put Amendment No 1 thus, modified, to the vote.

Amendment No 1 is adopted.

I put paragraphs 6 to 11 to the vote.

Paragraphs 6 to 11 are adopted.

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

The resolution is adopted.¹

¹ OJ C 113 of 6. 6. 1977.

10. Agenda

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

Mr Ajello. — (I) Mr President, I should like to ask you to propose to Parliament that Mr Guerlin's report on waters favourable to shellfish growth be placed, without debate, on Friday's agenda.

President. — Are there any objections to Mr Ajello's proposal?

That is agreed.

11. *Mutual and balanced force reduction negotiations*

President. — The next item is a report (Doc. 91/77) by Mr Radoux on behalf of the Political Affairs Committee on the mutual and balanced force reduction negotiations (MBFR).

I call Mr Bertrand.

Mr A. Bertrand, chairman of the Political Affairs Committee. — (NL) Mr President, I can be very brief. We wanted to table this motion for a resolution at the same time as the one on the Helsinki Final Act, since the Final Act of the Helsinki Conference provides that the political and military aspects of security should be complementary. In the Helsinki Act it was expressly laid down that the negotiations on force reductions, the SALT negotiations and the nuclear negotiations should run parallel with those on the other aspects of the Act. We therefore feel that in the plenary sitting today we must also give our point of view in the motion for a resolution on the MBFR negotiations in Vienna. We point out in the resolution that the reduction of forces and armaments in Central Europe must take place in the context of a number of essential precautionary measures. You can find these under (a), (b) and (c) of paragraph 1. I need say no more about these. The text was discussed in great detail, and I should therefore like to ask the House not to prolong the debate too much and to adopt this motion for a resolution in the form in which the Political Affairs Committee has presented it to Parliament.

IN THE CHAIR : MR MEINTZ

Vice-President

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

Lord Brimelow. — Mr President, I have tabled an amendment to paragraph 1 to the motion for a resolution. I assume that the time formally to move that will come later when we are voting, but I think since I am now on my feet and since one intervention is liable to

be briefer than two, that you would regard it as for the convenience of the House that I should say why the Socialist Group has authorized me to propose this amendment.

Document 91/77 which is before the House states that the Political Affairs Committee approves the motion unanimously with one abstention.

In the discussions in the Political Affairs Committee I suggested the change which now forms the subject of my amendment. After I had been outvoted, I told Mr Bertrand, as chairman of the committee, that I should wish to carry the matter further, and he agreed that I was at liberty to do so.

The point at issue is simple. The text of paragraph 1 of the motion, both in the original French version drafted by Mr Radoux and in the English translation, states that the European Parliament considers.

that a reduction of forces and armaments in Central Europe

- (a) cannot be effected by measures which could jeopardize the security of any of the parties to the negotiations;
- (b) cannot be prejudicial to the security of other European countries;
- (c) cannot constitute an obstacle either to the organization of the defence of Western Europe or to the integrated defence system of the Atlantic Alliance.

My amendment substitutes the words *must not* for the word *cannot* in the three places where *cannot* occurs. It is obvious that if miscalculations were to be made by the governments participating in the MBFR negotiations or in the agreements which may result from them, the balance of military power in Europe could be affected, and if the miscalculations were to be made by the Western participants in the negotiations, the security of the States represented in this Parliament could be affected, the security of other European States could be prejudiced and the outcome could constitute an obstacle, both to the organization of the defence of Western Europe and to the integrated defence system of the Alliance. Now, it was clearly the intention of Mr Radoux and of the Political Affairs Committee that this must not be allowed to happen, but this is not what the text of Document 91/77 in fact says. The text of paragraph 1 of the motion for a resolution, in the form at present before this House, could be taken out of context and used by the propagandists of the Warsaw Pact States to suggest that this Parliament is carefree as regards the outcome of the MBFR negotiations, whereas I believe the contrary to be the case. I am sure that this Parliament is deeply concerned that the outcome of the MBFR negotiations should not have any of the prejudicial consequences mentioned in paragraph 1 of the motion for a resolution. It is for that reason that I have been authorized by the Socialist Group to table my amendment suggesting that the word *cannot* be

Lord Brimelow

replaced by the words *must not*. This is so evidently in accordance with the intention of the text that those Members present who have before them the German, Italian or Danish texts will see that the translators have already, to a greater or lesser extent, anticipated my thought at the expense of the literal accuracy of their translations.

So far I have been speaking on behalf of the Socialist Group. I should now like to make a purely personal comment on paragraph 4 of the motion for a resolution. According to this paragraph, the European Parliament considers that the agreements negotiated in Vienna should lead on to a gradual reduction in the numbers of conventional and nuclear forces and weapons throughout Europe. The wording of this paragraph looking forward to 'a gradual reduction of forces and weapons throughout Europe' might be interpreted by some as looking forward to a series of agreements covering successive reductions in conventional and nuclear forces, not only within the very carefully defined areas with which the MBFR negotiations are concerned, but throughout the whole of Europe. In my opinion, such reductions might prove highly dangerous to Western security, especially if the words 'throughout Europe' were held not to include that part of Soviet territory which lies in Europe. Because of their strategic advantages conferred on the Soviet Union by geography, there is a limit beyond which the reduction of forces in Western Europe cannot prudently be carried, irrespective of the extent of any reduction which might be made in the forces stationed on the territories of the Warsaw Pact States other than the USSR.

Mr President, I am not going to suggest an amendment to paragraph 4. Its intention is clear. I would only ask that it should always be read in conjunction with the precautionary clauses of paragraph 1, as phrased in my amendment. I hope that this will meet with the approval of the House. Subject to the acceptance of the amendment, I should like to commend to the House the motion for a resolution put forward by the Political Affairs Committee. It is in line with NATO thinking, it is consistent with what has been said by the Western participants in the MBFR negotiations. These negotiations are mentioned in the Final Act of the Helsinki Conference. It is appropriate, since the House has today discussed other aspects of the Final Act of the Helsinki Conference and since it wishes that Final Act to be treated as an indivisible whole, that it should express its views on the MBFR negotiations in the terms of the resolution as amended.

IN THE CHAIR : MR DESCHAMPS

Vice-President

President. — I call Mr Jahn to speak on behalf of the Christian-Democratic Party.

Mr Jahn. — (*D*) Mr President, ladies and gentlemen, I regret that we are discussing paragraph 4, the CSCE and military security in Europe at such a late hour, since in my view this is one of the most decisive aspects of the entire CSCE and I am extremely grateful to the previous speaker for the very clear way in which he stated his views.

Balance of political will is just as important as balance of military power for a harmonious détente policy. Only with adequate deterrent and defence potential will the West be able to avoid being faced one day with political blackmail or military threats, and I should just like to remind you what NATO — the spokesmen of all the members of NATO to be precise — has had to say in recent months on this question of the increasing imbalance in conventional weapons. Only if we establish a balance can we avoid Communist dictatorships taking refuge from their inner crisis in foreign policy or even military adventures. To this extent an adequate security policy in the West is also of vital importance to progress towards the emancipation of individuals and nations living within the Soviet sphere of control and I should like to point out that a year and a half after Helsinki it is perfectly obvious that the CSCE has not promoted military security in the West, nor was it even likely to. In this respect the Conference on Security — and I stress Security — and Cooperation in Europe is not worthy of the name.

At the preparatory stage of the CSCE Moscow first of all flatly refused to discuss questions of military security, at the Conference. Finally, on the insistence of the West it reluctantly agreed to the confidence-building measures in the military field with which you are familiar. The small military value of these agreements was recognized right from the outset. Since then they have proved equally worthless at the psychological and political levels, i.e. in their effectiveness in building confidence. Since Helsinki the Warsaw Pact States have only fulfilled these obligations reluctantly and incompletely. They have only given notification of three manoeuvres involving more than 25 000 men and only invited observers from certain countries, i.e. their immediate neighbours, Turkey and Denmark. They frequently avoided the need to give notification of manoeuvres by dividing them up in space and time. After all, it is quite possible to carry out six manoeuvres involving 30 000 men side by side 10 or 20 kilometres apart. Not a single observer from the Eastern bloc was present at any of the 13 manoeuvres of which notification was given by the NATO States, in spite of the fact that all the Warsaw States had been invited.

More serious than this restrictive attitude on the part of the Warsaw Pact States what were described at the Conference as 'confidence-building measures' however, is that with the premature breaking-off of the Conference, the West itself abandoned the principle of linking the efforts to achieve political détente

Jahn

and the stabilization of military security in Europe, i.e. the CSCE and the MBFR negotiations, both as regards time and content, even though previously it had rightly regarded such a link as necessary.

The fact that the Soviet Union has hitherto consistently refused to accept that the principle of parity which it has always demanded in its negotiations with the USA on strategic nuclear weapons should also apply to conventional troops on both sides in central Europe, shows how little hope there is of Moscow being prepared to see anyone else's point of view during the MBFR negotiations in Vienna. This is also demonstrated by the fact that, under the cloak of the CSCE and MBFR negotiations and preparatory negotiations which have been going on for years, the Soviet Union has developed its military potential to an extent far in excess of its legitimate defence requirements — and its conventional superiority in Europe is increasing every month. In addition, there is the growing threat to the north and south flanks of NATO and the increased presence throughout the world of the Soviet fleet, which is expanding at a phenomenal rate.

The expansion of this extensive military offensive potential, which could also be used as an instrument of political blackmail, reinforces our doubts regarding a genuine policy of détente in the military field and the objective of achieving a positive outcome to the MBFR negotiations in Vienna. The western world is therefore not being unjustifiably suspicious, given these verifiable facts, in asking with increasing insistence in recent months what Moscow's political intentions are with the expansion of these military capacities.

Political détente — and I should like to end on this point — is not possible without a minimum of harmonization in the balance of power in Europe, and without a minimum of mutual confidence the MBFR negotiations will not lead to any useful political conclusion. We expect that at the forthcoming negotiations in Belgrade and Vienna both sides will adopt confidence-building measures — there is no doubt that we shall put them forward — which will be verifiable and based on trust, as advocated by the Political Affairs Committee in the various paragraphs of its motion for a resolution.

(Applause)

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

Mr Cifarelli. — *(I)* I intend to be very brief, Mr President, although not because I feel this is an unimportant matter. On the contrary, it deserves just as much time as has been given to several other speeches which were more theoretical than practical.

There is undoubtedly a place for protests and statements of principle. However, it is much more impor-

tant and useful to consider the military situation and the balance of forces. Anyone who thinks that peace is a gift from heaven is really living up there in the clouds, and when a State believes it, it is sheer suicide.

As for Lord Brimelow's proposed amendment, I should like to point out that there is no problem in the Italian text, in which the word 'debba' already means 'must not'. This fact was noted by Lord Brimelow.

Turning to paragraph 4 of the motion for a resolution, I must say that I do not agree with Lord Brimelow's narrow interpretation of it. Nevertheless, it is the view of the Liberal and Democratic Group, and my own view too, that the concept here is that of the advantages conferred by geography. These talks involve the NATO countries, including Canada and the United States, and the Warsaw Pact countries, the Soviet Union and its allies in eastern Europe. There have been two states in these talks, the first from 1973 to 1975 and the second subsequent to the 1975 proposals.

I am completely opposed to facile pacificism, to the advocating of peace by unilateral declarations. We have to be very careful not to be hoodwinked in the realm of foreign policy, and even more so in the sphere of military policy where cunning knows no bounds.

In December 1975 the Western allies proposed a rider to the Warsaw Pact proposal that there should be equal percentage reductions for each single nation. The western powers made a concrete proposal. They offered significant cuts in the American nuclear armoury, and were ready to include, as part of the common ceiling, some of the forces in the entire central European area. These forces were also to include airborne personnel. This is the situation at present, as the twelfth round of talks are about to get under way.

The western negotiators are asking their opposite numbers from the Warsaw pact to provide a detailed and thorough reply to the western proposals and to discuss the problems relating to the geographical dissimilarity — the Atlantic in the case of the western allies, the eastern European land mass on the other side — existing between the two armies which are lined up against each other in central Europe. Associated measures are also scheduled for discussion. The Communist countries maintain, however, that the procedural changes they put forward in February 1966 also include a percentage reduction on all sides. This means that they are attempting to consolidate and formalize their existing numerical superiority in the negotiation area, especially with regard to tanks, where the Warsaw Pact outnumbers the west.

For their part, the western powers maintain that the only way of ensuring an equal level of security for all

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the nations involved in the talks is to establish equal ceilings for the forces of the two alliances. The only way this can be achieved, of course, is for unequal reductions in strength to be carried out, since the forces are not equal at the moment.

I realize that this is common knowledge not only to the Political Affairs Committee but also to the Members who are listening to me here today. But our job, Mr President, is to inform the public through the proceedings of this House.

These words should convey our full approval of the motion for a resolution, together with the various interpretations of paragraph 4 which have emerged in the course of debate. I should like to make it clear that we want to make progress towards peace with a real and programmed reduction of forces in central Europe.

We know that peace is not the prerogative of the strong, as was once believed, but is the reward for those who view things realistically and who are never ready to replace facts with words.

(Applause)

President. — I call Mr Scott-Hopkins to speak on behalf of the European Conservative Group.

Mr Scott-Hopkins. — Mr President, I regret, as I have said before, that a debate of this kind is held at this late hour in the evening, not because honourable Members are not here — that is their choice and they have chosen not to be here — but it is a pity that the European Parliament's voice is not going to be heard to the extent that I think it should be heard outside this Parliament. I do not agree with Mr Bertrand of the Christian-Democratic Party who said that there should be a short, quick debate over in a short time. I think the issues concerned here are of absolutely crucial importance and they have not been covered entirely by the previous debate that we have already held on this matter.

Everybody knows that these negotiations that are held in Vienna have been criticized and have dragged on for ages. Indeed they are the subject of an article today in *The Times* from London, where, as you know, the NATO meeting is taking place. It is reported that the President of the United States, Mr Carter said that :

America's first preference was for an early agreement with the Soviet Union on mutual and balanced forced reductions. (These negotiations have been stalled for some months). But failing to reach this agreement, their military strength must be maintained.

How right he is. The point is that there has been a complete stalemate in these negotiations since 1973. It was at that time that NATO was then in December 1973 to submit a revised proposal, which was commonly referred to at that time as the nuclear initiative. It included the offer of withdrawal of 1 000 tactical nuclear warheads with 50 nuclear-capable aircraft and 36 Pershing surface-to-surface missiles

together with 29 000 United States troops. That was going to be in exchange for 68 000 Soviet ground forces and 17 000 medium Soviet tanks. The Warsaw Pact submitted entirely different proposals in February last year.

The present situation obviously is that we continue to advocate the fixing of a collective common ceiling, whereas the Warsaw Pact countries are trying for ceilings for separate national forces. Now it has already been said by Mr Jahn and by other Members that the existing disparity — and I have all kinds of quotes here of the theatre of imbalance between NATO and the Warsaw Pact — is such that there is a preponderance of strength in the Warsaw Pact, as opposed to NATO, in conventional forces, both ground and air. But any type of one-for-one reduction of manpower or machines as such, would lead to a situation in which the NATO countries and the Western alliance would be placed in the worst possible position. I am sure that the President of the Council will confirm that this is so, but at the moment the Warsaw Pact countries reject the kind of appraisals we have put forward and they are insisting on their own.

But what is happening is that the NATO and Warsaw Pact countries agree that there should be two phases in this reduction. And in this particular instance, I believe that the first stage should include agreements which will be carried out in the second phase. If you do not have this Mr President, God knows where eventually you are going to land up. The first phase should set a goal for a common ceiling for the ground forces to be agreed in the second phase which will be the final one.

But the main current problem which is blocking things — as President Carter said in London only yesterday — is the question of statistics. Nobody agrees on the various figures. The Warsaw Pact countries simply do not accept the NATO figures and we do not accept those which have been put forward by the Warsaw Pact negotiators. This is a situation which is quite intolerable. We have got to come to an agreement on these facts and figures. I do not think that this should be a stumbling block at the end. I really do not.

But there are other problems as well, and they are of the essence. How do you verify what, in point of fact, is going on? I spent a great deal of my life after the war in dealing with our friends across the other side of the Iron Curtain, and one of the great problems was really to accept the facts and the figures as they put them forward. If you are going to have reductions in various strengths, you have got to have some system of verification. How is one going to do this and how is one going to find a system which is acceptable not only to western Europe but to the Soviet Union and the Warsaw Pact countries? That is difficult. We are talking about a central area of Europe and it is too

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easy for the forces which at the moment in central Europe to be moved to the flanks. This is a reduction in central Europe but it is an increase on the flanks. What is going to happen about that? Does that count? It is equally very easy to talk about reinforcements going in and out. What type and kind of reinforcements are we talking about?

These are all problems which have got to be sorted out and solved. I do not believe that we can really expect the present situation to be very favourable for this. President Carter in his address to the NATO meeting did not appear to be very confident. And neither am I. But I think this House should maintain its position that this is what we intend and this is what we want. And this is why I personally accept the amendment that has been put forward by Lord Brimelow. I believe that it reflects more clearly and more closely the views which this House should express concerning paragraph 1. I will vote for his amendment when it is proposed at a later stage.

It is desperately important, Mr President, that these negotiations should start again, and that we should not get back into the situation of stalemate, of cold war between the two sides, because we are in imbalance at the moment and President Carter said quite clearly that what will have to be done, if we are not going to start negotiations again, is that the military strength of NATO must be maintained in relation to that of the Warsaw Pact. That does mean that once again we have to go back to the situation of the 50s and the 60s. This I would regret. And so I think this Parliament, Sir, should do everything it can to reinforce the plea from the NATO Summit Conference, from the Prime Minister of the United Kingdom and the President of the United States, that these negotiations should be restarted and that we should be successful in achieving an acceptable balanced reduction for the future well-being and the future safety of those countries of the Warsaw Pact and those countries within the Western Alliance and NATO as well.

(Applause)

President. — I call Mr Bertrand.

Mr Bertrand, Chairman of the Political Affairs Committee. — *(NL)* Mr President, in order not to prolong the debate I must reply in a few words, as deputy rapporteur, to the comments made by Mr Scott-Hopkins and Lord Brimelow. It is naturally not easy when one has to do with experts who go into the problems in deep and great detail. I have come to have great admiration for the extensive and profound knowledge of Lord Brimelow, who has devoted his whole life to the drafting of diplomatic texts in the Foreign Office in London. So I naturally pay great attention to anything he says. But it is all a bit difficult for me because in the Dutch translation of the amendment I find a comment to the effect that this

amendment does not apply as such to the original Dutch text, which is in complete conformity with what Lord Brimelow wants. Lord Brimelow says that the English text is not in line with the Dutch text of paragraph 1 in which we find under (a) 'niet tot stand mag komen', under (b) 'niet nadelig mag zijn' and under (c) 'geen belemmering mag vormen'. For this reason he wants to submit an amendment, with which I am naturally in full agreement if the English text is then in line with the Dutch text. It is therefore only a question of translating by 'must not' instead of 'cannot'. The English translation has thus simply to be made to correspond with the Dutch translation which he considers to be an accurate reflection of his ideas. So much for the amendment.

In reply to the comments of Mr Jahn and Mr Scott-Hopkins I would simply like to point out that the purpose of our motion for a resolution was to draw attention to the fact that, given the complementary nature of the political and military aspects of security, which is referred to in the Final Act of Helsinki, we as politicians and Members of this Parliament must state what points we think especially deserve attention if we are to make progress with the negotiations, which have been in the doldrums for a long time now. Our text reflects all the concern which Mr Scott-Hopkins has expressed, and I wish to underline that. Mr Scott-Hopkins says that we cannot of course achieve equal reduction of armed forces because the ground forces of the Russians are double those of the NATO Allies. If we were to accept an equivalent reduction of our forces we would shortly have nothing left while the Russians would still be able to call on a large army. But the objective is a mutual and *balanced* reduction of armed forces. Surely that is very clear. In other words when one side has twice as many troops and the other only half it is not a *balanced* reduction if both sides reduce by the same amount. Surely that is obvious.

Paragraph 2 states: 'considers that the negotiations on the reduction of forces and armaments in central Europe should result in:' — and then comes what is worrying Mr Scott-Hopkins — 'approximate equality between the troops strengths on each side in the negotiation area through the elimination of the present disparities between the numbers of the conventional land forces of the Warsaw Pact countries and those of the Atlantic Alliance.' So that has to happen first. The text goes on to refer to the fixing of a collective common ceiling for the forces in question. This was also one of the things you wanted, Mr Scott-Hopkins, that there should first of all be a common ceiling. Well, we call for this in our resolution.

I am very grateful also to Lord Brimelow for his interpretation of paragraph 4. Mr Jahn also spoke about this. I am very grateful because this interpretation — Mr Cifarelli said so too — is very clear. If agreements

Bertrand

are reached in Vienna it will be necessary following these agreements to arrive at a gradual reduction in the number of armed forces and in conventional and nuclear armaments, a subject which is not being discussed in Vienna at the moment. For the Vienna talks only relates to the reduction of ground forces and not nuclear armaments. This will have to take place later, but it will be necessary then to delimitate the negotiating area very clearly.

The text contains the words 'throughout Europe' and this worries Lord Brimelow because it does not refer to 'a negotiated area', that is a zone which is clearly described for both sides, i.e. the two zones applicable in this context. This is indeed the way to interpret paragraph 4, and we can thus approve this paragraph as such without difficulty. It is for this reason that I would like to ask for a solution in the form of Lord Brimelow's amendment to the English text. I can thus accept an amendment to the English text as long as we are sure that it is in line with the Dutch text.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — As we have the pleasure of having the company of the President-in-Office or his representative here, perhaps we could ask him, as a House, to give his views on the debate which has taken place. This is an important issue, it is being discussed in London at the moment, and I am sure he has had telexes and telegrams from London concerning it. Perhaps he would give the House the benefit of the information that he has there and his view of our debate.

President. — I have not received a request to speak from the Council.

Mr Scott-Hopkins. — Sir, I would hesitate to go any further, but it is we who are asking: my group are asking the President-in-office or his representative here, for whom I have the highest regard, if he would intervene in this debate and give us the benefit of his wisdom and knowledge.

President. — The President of the Council does not seem to wish to speak. The debate is closed.

I call Mrs Kellett-Bowman on a point of order.

Mrs Kellett-Bowman. — Throughout the speech of my honourable friend Mr Scott-Hopkins, the President-in-Office was in fact reading and conversing with his next-door neighbour. Could this be the reason why he doesn't wish to reply?

President. — Mrs Kellett-Bowman, it is not up to me to examine why the President of the Council does not wish to speak.

We shall now consider the motion for a resolution.

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1 I have Amendment No 1 tabled by Lord Brimelow

This paragraph to read as follows:

'1. considers that a reduction of forces and amendments in central Europe

(a) must not be effected by measures which could jeopardize the security of any of the parties of the negotiations;

(b) must not be prejudicial to the security of other European countries;

(c) must not constitute an obstacle to the organization of the defence of western Europe or to the integrated defence system of the Western Alliance';

I call Lord Brimelow.

Lord Brimelow. — Very briefly, Mr President, in my amendment I have underlined the words which the Socialist Group wishes to see changed.

This is not with a view to the underlining remaining in the final version; it is just to enable the Members of the House to see exactly what the change is and how small it is.

President. — Do I understand correctly that the difficulties relate to the French and English versions?

I call Lord Brimelow.

Lord Brimelow. — Thank you for allowing me to speak, Mr President, because under the Rules of Procedure I may not speak more than twice without your consent. There is quite a diversity between the various translations. For example, in the Danish translation under heading (a) it says 'can', under headings (b) and (c) it says 'should'. Now I do not know Dutch, but Mr Bertrand referred to the word 'mag' I do not know whether that is closer to 'should' or 'must'. In the German, it is 'darf'. We talk about the 'Rainbow Edition' of the proceedings of this Assembly, but we really have a rainbow edition of translations. I have considered the point in Rule 29, I have the book open in front of me at that point and I thought that, given the diversity of translations, it would be simpler if, with your consent, the House could agree on a single text which is not open to the variety of interpretations of the texts at present before the House in various languages.

President. — Under the rules relating to the application of Rule 29, 'no amendment shall be admissible as such if it is established that the wording, in at least one of the official languages, of the text it is sought to alter does not call for amendment. In that case the President shall seek out a suitable linguistic remedy jointly with those concerned'.

May I take it that we can agree on a text which corresponds to a French text *ne doit pas*?

President

I note that this is so. The amendment is therefore inadmissible.

I put paragraph 1 to the vote.

Paragraph 1 is adopted.

I put paragraphs 2 to 6 to the vote.

Paragraphs 2 to 6 are adopted.

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

The resolution is adopted.¹

12. Multifibre Agreement

President. — The next item is the oral question with debate (Doc. 78/77), put by Mr Cousté on behalf of the Group of European Progressive Democrats to the Council, on the Multifibre Agreement:

The Multifibre Agreement has not produced the expected satisfactory results. In fact, since its entry into force, the Community market has been hit by massive imports of similar products from a number of third countries.

While there is unanimous agreement on the need for changes to put an end to this situation and prevent its recurrence in the future, opinions differ on the means of achieving this goal.

Does the Council believe that the solution favoured by the Commission, namely, to fix an internal ceiling on overall volume for a number of particularly sensitive products offers the same safeguards against the flooding of the EEC market with textile products as the adoption of overall quotas?

How does the Council plan to ensure compliance by third countries with such ceilings fixed unilaterally by the Community?

I call Mr Cousté.

Mr Cousté. — (*F*) Mr President, ladies and gentlemen, our colleagues are extremely concerned about the situation in the Community textile industry. Addressing the Council yesterday, for instance, Mr Terrenoire expressed the anxiety about the threat to employment both in his own region of Roanne and in France as a whole.

This debate is important and timely, because the question now is whether — and on what conditions — the Multifibre Agreement is going to be renewed.

This Agreement was negotiated in 1973 within the framework of the GATT. It entered into force in 1974 and was accepted by 50 countries, which shows how important it is.

It succeeded the long-term agreement on cotton textiles. It is called 'multifibre' because it covers all artificial or synthetic fibres, cotton and wool. This arrangement was intended to promote the orderly development of trade, while preventing disruption of the market in importing countries, in particular the

largest import market in the world, the European Economic Community.

It was also designed to take account of the situation in developing countries and of the need to guarantee these countries a substantial growth in their income from exports of textile products. This agreement provided for the setting up of two bodies — a textiles committee and a textiles surveillance body. As from 1974, the parties to the agreement undertook not to introduce any new unilateral or bilateral restrictions on trade in textiles; the trend was thus towards increasing freedom of trade.

I would add that these agreements were negotiated by the Community because this area is covered by the common commercial policy.

Without going into detail, I shall merely remind you that Article 2 contained provisions relating to existing quantitative restrictions, and that the main aim of Article 3 was to lay down rules for the taking of protective measures in the Community. Unless I am mistaken, Article 3 has not been used.

Apart from that, what else does this Agreement comprise? Basically, Article 4, which has been the Community's main instrument, since on the basis of this Article bilateral agreements have been concluded with a number of countries in order to achieve as far as possible the main aims of the general Multifibre Agreement, namely the orderly development of trade in textiles.

Seventeen countries which export to the Community have signed agreements: India, Pakistan, Hong Kong, South Korea, Singapore, Malaysia, Mexico, Poland, Rumania and Hungary. In addition, some agreements were not actually concluded, as they constituted declarations of intent rather than decisions.

All these agreements had one fundamental principle, namely voluntary restraint on producing countries' exports to the importing country or area — in other words, basically the European Economic Community. There was also provision for ceilings and an annual growth rate.

It must be said that things have not been as satisfactory for the Community as for the developing countries or for certain industrialized countries. During the first period in which this Agreement has been in force, Community imports have increased more rapidly than in all the other industrialized countries which are a party to the arrangement put together. I shall give you some figures. Textiles: \$ 2 723 000 000 in 1973, \$ 1 529 000 000 i.e. 61 %, between 1973 and 1975. Whereas we had an overall increase of 42 %, the other industrialized countries — the United States, Austria, Finland, Iceland, Norway, Sweden, Switzerland, Japan, South Africa, Australia and New Zealand — had an increase of only 8 % during the same period. The Community thus accounted for practically

¹ OJ C 113 of 6. 6. 1977.

Couste

three-quarters of the total increase in the industrialized countries' imports. Secondly, the Community's share of the industrialized countries' total imports thus increased from 33 % in 1973 to 40 % in 1975 — I do not have the figures for 1976, which are even higher. It is in the Community that *per capita* imports of textiles and clothing have increased the most rapidly, rising from \$ 20.5 to \$ 20.7 between 1973 and 1975 as against, in the same period \$ 17.8 and \$ 17.7 in the United States and \$ 15.8 and \$ 11.9 in Japan. These figures are even more significant in that *per capita* consumption is appreciably lower in the Community than in the United States. Another point: what has happened to Community exports of textiles during the first period of the Agreement? They have shown a very slight increase. Let me give just one illustration. For textiles an increase of \$ 426 000 000, i.e. 9.3 % over the period 1973-1975, and for clothing + 26 %, i.e. 407 000 000 over the same period. Altogether, an increase of \$ 833 000 000, i.e. 13 %. In fact — and this is the fundamental economic phenomenon — the overall balance of external trade in textile products and clothing has clearly deteriorated, from a surplus of \$ 956 000 000 in 1973 to a deficit of \$ 402 000 000 in 1975.

However, Mr President, this by itself is not the reason for our anxiety nor even for the proposals which we are going to make. I should like to give you a recent piece of information regarding 1977. Apparently, the United Kingdom and Northern Ireland, who were authorized to fix quotas for imports of cotton yarn for the period from 1 April to 31 December 1977 within limits regarded as reasonable, also asked to fix quotas on imports of cotton T-shirts and synthetic fibres. This quota was fixed at 710 000 items for the period from 1 February to 31 December 1977, yet during the first two months of 1977 imports of T-shirts totalled 785 000 items, i.e. they were higher than the proposed quota for the whole of 1977.

I shall give you another item for comparison and concern another point. In the bilateral agreement with Taiwan the quotas for 1976 were fixed at 1 738 tonnes. In fact, they totalled 2 531 tonnes, i.e. 45 % more, in that year. With Hong Kong, for example, a quota of 225 000 items was fixed for women's blouses, yet imports in 1976 totalled 325 000 items, i.e. 44 % more than the maximum quotas, which themselves were considerably higher than for 1972, 1973 and 1974. Finally, for South Korea a quota of 564 000 items was fixed for men's shirts in 1976; 899 000 were imported, i.e. 60 % more.

We are indeed, Mr President, faced with an alarming situation, and between 1972 and 1975 Community textile production fell by 11 %, putting 430 000 people out of work! Thus, in Geneva — and first and foremost at Council level — the main concern is obviously to remedy the problem which is regarded as the

most important and which is charmingly known as 'cumulative market disturbances'. If the work of Europeans and European firms — i.e. precisely those for whom we are responsible — were not at stake, we might find this definition quite charming and almost soothing.

Quite simply, a solution is needed. We believe it lies in the fixing of overall quotas. The main behind our proposal for overall quotas is to make it possible to fix quotas for the most sensitive products, i.e. those for which the rate of penetration for imports exceeds critical levels of the order of 25, 30, 40, 50 and even 60 %, and to ensure the survival of our Community textile industry through a real stabilization of market penetration rates at the current level, which in my opinion is already excessive. This demand involves changes in the Multifibre Agreement. That is why we have raised the fundamental question for cotton thread, cotton suits, women's and men's shirts, and also knitwear.

Our Committee on Economic and Monetary Affairs will therefore, Mr President, have to examine a report prepared by Mr Normanton. This matter is important, Mr President, because we cannot negotiate quota reductions and reductions in customs duties within the GATT and then be faced with a situation like this. Neither can we think, Mr President, of being able to discuss anti-dumping measures when in practice they cannot be applied to these products. I appeal to the unity of the Council and emphasize that the Council must give the Commission an explicit brief to ensure that the renewed Multifibre Agreement moves towards a real balance between imports and the absorption capacity of the European Community markets. In this way we shall truly preserve both the dynamism of our textile industry and employment which is obviously a vital necessity for our firms and for the Community.

(Applause)

President. — I call Mr Tomlinson.

Mr Tomlinson, *President-in-Office of the Council.* — Mr President, the Community has already stated that it is in favour of the renewal of the Multifibre Arrangement which will expire on 31 December 1977. It has also said that the amendments which have proved necessary in the light of experience gained over the three years of implementation of this arrangement should be introduced together with this extension. To enable the Community to participate fully in the talks to be held in Geneva, the Council has devoted itself over the last few months to drawing up the negotiating directives for the Commission. Whilst agreement has already been reached on a majority of these directives, it has not yet been possible to arrive at a common position in the Council on the very weighty problem of cumulative market disturbances.

Tomlinson

The solution to which the honourable Member alludes was suggested by the Commission. Other approaches, particularly that of including in the arrangement measures (overall quotas) covering all low-price supplier countries have also been submitted for the attention of the Council by several delegations. The Council focused its discussion at its last meeting on 3 May 1977 on working out a formula which would ensure the attainment of the Community's objectives by means which would afford adequate guarantees to the Community's textile industry. It is reasonable to expect that a solution acceptable to all Member States will soon be found.

President. — I call Mrs Dunwoody to speak on behalf of the Socialist Group.

Mrs Dunwoody. — Mr President, I am very aware of the point that you have made about the lateness of the hour. But part of the difficulty about a subject which is as emotional as the whole question of textile negotiations is that in fact you are talking about the livelihood of whole areas of the industrialized countries. One of the charges that is frequently thrown at the Common Market is that it is very much a protectionist organization and that it seeks only to conclude trade agreements in terms which are defensible from its own point of view. Therefore when we talk about the emotional questions of textiles particularly, we have to realize that there is a very delicate and difficult balance to be maintained. On the one hand we must concern ourselves with our traditional industries, and on the other, we must not do anything which can be overtly damaging towards those Third World countries who need the trade even more, I believe, than the industrialized countries of the EEC.

Having said that, it is very clear that what happened in the Multifibre Arrangement was that we started off, for a number of historical reasons which have been rehearsed time and time again, on the wrong basis. We took too long over the negotiations. Having taken too long over the negotiations, we then found that the effects of cumulative disruption on the internal market were such that many people were thrown out of work in the existing EEC textile industries, and so far there have not been any dramatic solutions produced, either by the Council or, I must say, by the individual member governments.

I hope that in this negotiation we shall seek to lower the overall quota, that we shall take into account the fact that in many textile industries in the Community there is no obvious other means of employment, and if we are to have a constant flow of cheap imports into the Community, then that is undoubtedly going to be achieved at the expense of the individual textile firms and the individual textile workers. The Social Affairs Committee of this Parliament is at the present time examining the evidence which was given to them by

the Dutch textile unions, who are deeply concerned about the whole question, not only of internal competition, but also of export from Third World countries. And we are in the process of producing a report precisely because we hoped that we would be able to come forward to this Parliament with a number of solutions which would be very largely based on the problems of the operation of the Multifibre Arrangement, and of the need to protect the workers in the industry.

As a Socialist I must say to you that I can see very considerable difficulties internally in the market. It is still possible, for example, for multinational firms to move the investment from one factory to another across the border without any real consultation with the unions concerned or without any obvious plan. But I believe that in Geneva, what the Community has to do is to negotiate a defensible quota arrangement, and I personally would like to see overall quotas. I would like to see the base rates for which we calculate those quotas looked at very closely, and I would like to see some very real input of money to assist the structural changes that are going to come about in the textile industry inside the Community, because it seems to me that it is quite empty to talk about the problems of imports without talking about the way that we can actually cushion the problems of the internal textile industries of the EEC.

I know that the Minister is deeply concerned about these questions and very well aware of the really human problems, because behind the figures that Mr Cousté was giving us this evening, there is the tragedy of whole areas that are running down into dilapidated and abandoned industrial organizations, left in the lurch by the tide of industrial advance and needing a great deal of assistance under those circumstances.

I do not intend to overstay my welcome, Mr President, and therefore I will simply say in conclusion that this is an urgent problem. Today I believe that the EEC, if it acts humanely and sensibly, will be seeking to protect the interests not just of the textile workers but of those people in third countries working in the textile industry who are themselves in many instances grossly exploited, and are in many ways suffering for the cheap textiles that we get in our shops every day. I know we can rely on the Minister, and we ask for his assistance in this matter.

(Applause)

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

Mr Schwörer. — *(D)* Mr President, ladies and gentlemen, the Christian-Democratic Group welcomes the steps taken by Mr Cousté and his Group to press for the renewal of the World Textile Agreement. Although this Agreement has now been in existence for four years, almost 450 000 jobs in the

Schwörer

European textile industry have been lost in this period, and production has dwindled at a time when other industries have recorded high growth rates. It might therefore be asked whether an agreement which has obviously not proved successful should be renewed. In spite of all its shortcomings we maintain that the situation without a new agreement would at all events be worse. There are some who forecast 'chaotic conditions on the world textile market' if this Agreement is not renewed.

We say explicitly that this Agreement does not constitute protectionism. The intention is not to prevent competition, which will take place in the necessary orderly conditions. We still note (1) that a low level of wages and social charges in certain producer countries makes any normal competition impossible; (2) that politically determined prices, especially in the Eastern bloc, are competing with prices of firms which have to take all the costs involved into account, and (3) that both areas are used — particularly by large retail concerns — not only to buy-in as cheaply as possible but also as the basis for the price of their purchases from firms in the Community. And the small businesses with little capital are then often forced, if they wish to sell their products at all, to sell at unacceptable prices, without the consumer's really noticing these reductions.

We are interested in preserving the European textile industry because it is located in particular in economically weak areas, because it provides jobs for women, as well as part-time jobs and jobs at home which no other industries can provide, and in this respect, it will not be superseded by any other industries in the foreseeable future.

Ladies and gentlemen, a sensible renewal of the World Textile Agreement is an element of small-business policy, an element of employment policy, but also an important aspect of regional and sectoral structural policy.

This question of renewal raises two issues: firstly, should the previous system of bilateral quotas be retained for imports of textiles, or should a standard overall quota be laid down for all low-price countries?

Mr Cousté, we agree with your proposal to fix an overall quota, the details of which would then be worked out in separate negotiations. This should prevent the overall quantity being exceeded if any new supplying countries, e.g. poor developing countries, enter the picture.

The second issue — and I should like to add that it concerns first and foremost the sensitive products, which you also mentioned, and for which the proportion of imports is particularly high — is that of 'stabilization'. Should the ceiling which has existed until now be raised, and if so, by how much for each producer country? Or should the volume of deliveries be stabilized at the previous level in times of unemployment in the Community? The Christian-

Democratic Group favours restricting deliveries to the previous year's level, although this volume could be varied if consumption and also prices were to increase.

In this connection there is still a special problem, Mr President, which you mentioned in our Group, and I hope that you will allow me one more minute to present it to the House as well. Should all producer countries be treated equally, or should deliveries from countries with a highly-developed textile industry be restricted, and these reductions then used to benefit the poor developing countries? Our Group would be very sympathetic towards this latter view, which Mr Deschamps has put forward.

Finally, there is another important question which has not yet been resolved: how can it be guaranteed, Mr President, that the quantities imported will be distributed fairly among the consumer countries of the Community? The Christian-Democratic Group is of the view that, whatever form the new arrangement may take, the Commission should make proposals as to the steps to be taken to ensure that certain Member States are not flooded with cheap goods while others take only small quotas.

I state once again on behalf of my Group our sympathy for the action taken by Mr Cousté and for the fact that this measure is an attempt to preserve necessary and irreplaceable jobs in the Community for the future as well as the present. Restructuring towards high-quality products should be continued. However, we shall shortly be discussing this question in the light of the report by Mr Normanton. The Council and Commission should now do everything to ensure that the Agreement is renewed, subject to the necessary improvements, as soon as possible.

(Applause)

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

Mr Liogier. — *(F)* In our Community the crisis in the textile industry and in the clothing industry in general has not happened overnight. For years now warnings have been uttered, notably by our Group, and measures recommended. Torrents of words have been poured forth in this House and elsewhere, there has been a great deal of talk, of rhetoric even, and a lot has been written as well. We have been generously treated to a number of very detailed studies, which would fill tomes, dealing — with an assurance sometimes bordering on complacency — with the deeplying or peripheral causes of the crisis, counter-measures, the assistance which may have to be provided to ensure the survival and rescue of this important industry, formerly so prosperous and now on the rocks, as well as of its satellite industries. Talks were opened and negotiations initiated: international arrangement on the textile trade and industry, multifibre agreement still in force, conferences all over the place etc.

Liogier

In short, 'we were promised a lot, that's all I know'. However, 'in all things, the end must be considered'. In the area with which we are concerned, this end is tending to become a full stop, i.e. the imminent disappearance of our Community textile producers and products.

Unfortunately, this has already more or less happened in the region which I represent in the French Parliament, where the crisis has already swallowed up almost all the many throwing or weaving mills which had stood for decades, the length of time which they had been there proving, however, that they were not lame ducks. The last major factory manufacturing equipment and looms — one of the front runners in the field of research and development, with a number of smaller-scale subcontractors depending on it — is very seriously contemplating filing a petition of bankruptcy. This is all the more regrettable in that this firm is — or rather, unfortunately, was — a regional mono-industry, ensuring the livelihood and prosperity of all the others, keeping the inhabitants of difficult country on the land, and providing a certain degree of demographic harmony as a result of its dispersal throughout the countryside.

Discontent, not to say indignation and controversy at the time of darkest despair are bursting forth in the face of what people no longer hesitate to call the failings of the authorities. The causes of this state of affairs — of which there are certainly many since the responsibilities are divided — must be analysed in the context of a difficult period subject to many fluctuations. However, the main cause of the present disarray is known, i.e. the fierce competition from many third or State-trading countries whose standard of living and production costs — that of labour in particular — are nothing like as high as our own.

These countries are increasing their production capacity to the same extent as ours is disappearing, and are dumping their output onto so-called rich, developed countries, the main targets being the most penetrable of these countries or the most pitifully poverty-stricken of the others. I referred, of course, to the countries of our European Community which, in order to uphold its image of liberalism as well as the virtues of free trade, will not hear any talk of protectionism, except to protect or help the Third or Fourth World, even if it means losing part of its own substance, while a number — though fortunately not all — of those we help repay us with ingratitude.

I have frequently pointed out in this House that well-ordered charity begins at home, because the way things are going we shall soon be in no position to help others. It has already become a matter of extreme urgency that we help and protect ourselves. We have in fact become the area in the world probably least protected by customs barriers, which are so low that it is easy for any number of clever operators to over-

come them; yet we are still lowering them, apparently.

What do we find? That the power which is currently still the most prosperous in the world — the United States — with its much-vaunted liberalism, is resorting in the case of textiles in particular to an astounding protectionism with enormous customs duties amounting in some cases to 200 % of the value of the imported goods. I do not believe, therefore, that we can save ourselves by means of quotas — which are in any case applied far too liberally — excessively loose guarantees against disruption of the market, or even the gradual liberalization of trade. With a consumption growth rate for textile products now well below the growth rate for imports, we are heading breakneck towards the complete and utter disappearance of our national industries.

Such a situation calls for draconian rescue measures as a matter of extreme urgency. These measures should comprise first of all the use of the most rigorous safeguard clauses possible, which, if necessary, we shall have to impose on our world partners for the whole of the time required to rectify a situation which has now become disastrous. If all this were to result — and perhaps it will — in some protectionism, we would at least be in very good company — that of the USA, whose reasons for protecting itself now in anticipation of better times are not as pertinent as our own.

The time has come to stop procrastinating, to speak out loud and clear, because the impression so far has too often been that the Community never negotiates from a position of strength. This is another bad image which must be eliminated and replaced by determination and firmness. Effort is always respected and fortune favours the bold.

(Applause)

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

Mr Normanton. — Mr President, the European Conservative Group is deeply indebted to Mr Cousté for introducing this extremely important subject for discussion here today. Any failure to find a solution to the problems facing the European textile industry could have much more far-reaching political consequences for the Community in its future than perhaps some may well appreciate.

I will not waste time recounting the well-documented and tragic history of the run-down of the European textile industry over these last 20 years. It was not by accident, it was by intent, undoubtedly, in the minds of some governments in Europe. Let me place firmly on the record that the European textile industry is not a run-down, worn-out, antiquated industry; it is technically and commercially efficient by any of the generally and internationally accepted criteria.

Normanton

The main defects arise from the Multifibre Arrangement. It is like a double-headed coin, or a case of heads they, producers in the developing countries win, and tails we, the European consumers, lose. It is the inbuilt growth factor of 6 % which guarantees a market to the imported textiles at all times, regardless of price or cost or conditions of the market in which they enter. It creates a situation which is best described as the ratchet mechanism: what they have they hold, what we lose they hold too. The continuation of this inbuilt growth factor must be replaced by some form of automatic regulatory mechanism, and that means an amendment to the MFA. It is the orderly development of the trade as much as the volume of it which is fundamental to the future of both supplier and consumer alike. The Multifibre Arrangement was signed and agreed to by many, something of the order of 50 countries, but not by all textile-producing countries of the world. It is the existence of producing countries and potential producing countries outside the MFA which makes it essential to change the system of quantification of the MFA to the principle of the global quota. This is the only way in which we can avoid disrupting outlets for established suppliers from such handicapped and underprivileged countries as India.

Many more features of the MFA demand amendment the computation of the base lines, the categorization, burden-sharing, unused quotas, and State-trading suppliers. This means that the Community must reach agreement among the nine Member States on a negotiating stand and here is the really fundamental political issue. Denmark and Germany, for example, are prepared to set their sights on the extension of the MFA in terms of time only, whereas France and Britain demand major amendments to the MFA, facing, as these two countries are, amongst others, a serious prospective rise in unemployment. Politically they simply could not allow either the MFA to continue in its present form or to lapse. If it lapses, then one or other or both would, out of political necessity, I feel, be forced to take unilateral action, and it is the consequences of unilateral action which the Community must be on its guard against and prepare for. But should there be developments such as the inability to obtain a mandate, or should the MFA be extended unamended, this could signal the breakdown of the Community as a free trade area and of the Commission as its negotiating focal point.

I have not touched on a whole list of musts for the very obvious reason of lack of time, but one lesson this House would be ill-advised to ignore is that the difficulties faced by the European textile industry for the last twenty years are but the foretaste of what is or will be happening to each and every manufacturing industry in Europe in the future. Ball-bearings, zip-fasteners, radios, television tubes, semi-conductors are of relative insignificance to the consequences of

allowing the run-down of the textile industry to continue. The House, I am convinced, will certainly have welcomed the statement of aim by the representative of the Council this evening. I only hope the Commission will show to this House conclusive evidence that they recognize the seriousness of the situation and have the ability and the resolution to act appropriately.

(Applause)

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

Mr Sandri. — *(I)* Mr President, we have to thank Mr Cousté for this question which enables us to discuss this highly topical matter from the point of view of the economy and of employment.

I want to take up in particular one point which Mr Cousté mentioned. He stated that the major cause of this crisis was the increase in exports from developing countries.

I should like to ask Mr Cousté whether the developing countries are really the chief culprits. Which and how many developing countries have benefited from easier access to the western — or rather European — market? Let me refer to the same figures, or more precisely the same source, as Mr Cousté used.

It is true that the last 30 years have seen the developing countries increase their share of the world textile market from 8 % to 48 %. However, it should be made clear right away that just three countries accounted for 80 % of this increase: South Korea, Taiwan and Hong Kong.

It could be objected that these three really are developing countries. However, if we look carefully at the statistics which Mr Cousté provided and analyse some of the figures, we see that Japanese multinational companies had invested 611 million dollars in these three countries by 1974.

By 1970 the Americans were firmly established, with direct investments totalling more than 500 million dollars, and since 1970 we have seen that industrial giant, the Dow Chemical Pacific, set up in Hong Kong, with all that that entails.

Do not think we are obsessed with the multinationals. Nevertheless, it has to be admitted that the three countries in question have in fact become strategic bases from which to attack the European textile industry. And the attacks have come not from these developing countries but from major concerns. Other Members have spoken of the benefits which the workers have gained, but let us not forget that in Europe — the data can be found in an extremely detailed report which Mr Nolan is shortly to present on behalf of the Committee on Development and Cooperation — there is a country where workers are paid an average of 5.30 dollars per hour. How on earth can they

Sandri

compete with the multinational in South Korea which pays — or rather exploits — its workers at a rate of 46 cents per hour? What we must do in the present situation is take a broad look at the real causes of these upheavals in the market. The Americans and the Japanese are not the only ones to blame, however. One major European company is apparently about to move from France to Hong Kong. And other companies from other European countries are casting their gaze on Brazil, Malaysia and Singapore.

I feel, therefore, that we have to look at the real causes of the situation — not so that we can indulge in moralization, but so that we can determine how to react. In our opinion, if we want to save the textile industry in Europe, and if we want to guarantee a certain level of employment to the workers who are currently threatened, the Commission must be given a mandate to negotiate internal ceilings on overall volume for particularly sensitive products.

But I do not believe that this will be enough. I am not advocating a return to protectionism, but we should start thinking about our system of generalized preferences. When we apply this system to Hong Kong, Taiwan and South Korea, we are not in fact helping the developing countries. Instead, we are helping the strategic bases from which our own industry is being attacked, while the other developing countries get poorer and their own textile industries fail to expand properly.

Finally, we have to look for legal grounds — and I do not mean legal pretexts — and for international bodies where we can bring up this problem. I am not referring to the problem of labour costs, or of the differences in labour costs — it is inevitable that there is going to be a wage differential between the western and the developing countries. What I am referring to is the slavery in its various forms which is the result of these differences. The fate of the textile industry in Europe depends on a solution to this problem.

(Applause)

President. — I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Mr President, I too would like to thank Mr Cousté for bringing this very important subject before the House again. When the Multifibre Arrangement was originally negotiated, I vividly remember that it appeared to give a ray of light to the beleaguered textile industry throughout the Community. Unfortunately it did contain a number of features, as we now see — notably the provision for automatic increases in imports from developing countries in good times and in bad — which have proved quite disastrous.

When the original Multifibre Arrangement was negotiated before the oil crisis, long-term growth prospects throughout the Community were good. When the anticipated growth rates failed to materialize, the

guaranteed minimum annual growth of 6% given to developing countries, regardless of market conditions, proved quite disastrous. In the United Kingdom, import penetration has risen from 17% in 1973 to 24.7% in 1976 and imports are still rising at a much faster annual rate than domestic consumption. Now in some markets, shirts for example, imports take 70% of the home market. Yesterday Dr Brian Smith warned that the textile industry in western Europe will disappear in a few years time if imports continue at the present rate. He said no country in western Europe offers sufficient opportunities for future growth and employment that the decline of such a major industry could be tolerated, a point made by Mr Normanton.

The Community, we were told in the House of Commons on 21 February, has at last accepted the principle that growth rates should vary in inverse proportion to the rate of import penetration, and very much hope that this may extend to a negative rate when penetration to any sector is exceptionally severe. Moreover, the current arrangements put a premium on dilatory negotiations, since base levels are fixed at the time of actually signing the bilateral agreements, so that exporting countries rush in massive quantities of textiles to establish an artificially high base period. The only way to prevent this forestalling is to relate the base period to the date when negotiations begin and not when they end. To make matters worse, there is currently no adequate safeguard to deal with new suppliers of sensitive products. Each case is to be considered as it arises and this is a very time-consuming process and leads to cumulative disruption of home markets as individually small increases in imports from a larger number of new suppliers build up into a torrent. I am very sorry to hear today that this is one of the points on which agreement has not yet been reached. We do need a new method of preventing this, namely a single quota to deal with all potentially disruptive imports of sensitive products.

Mrs Dunwoody asks for money to assist structural changes but our textile industry is technically as far advanced in many parts of the Community as the chemical industry. It is already first class and still it cannot cope. But our difficulties are further compounded by the political pricing by State-trading countries which bears no relation whatsoever to the costs of production. As a result of all these defects, in the United Kingdom textile imports in 1976 reached a peak of 1.66 billion, which was a third up on 1975 and 2 900 000 jobs were lost between 1969 and 1975, equal to 26.6% of the labour force.

But Mr President, the problems of the present will be nothing compared with the catastrophe which will face us in the future as countries such as Brazil, with their own home-grown cotton and natural advantages and rapidly expanding economies, swamp our markets

Kellett-Bowman

if nothing is done to stop them. What we need is action now and we look to the Council, and Commission to provide it.

(Applause)

President. — I call Mr Yeats.

Mr Yeats. — I also, Mr President, would like to thank Mr Cousté for the valuable service he has performed in bringing this matter before us tonight. I think we can probably all agree that the present deplorable situation in the textile industry throughout the EEC is essentially a reflection of the failure of the existing Multifibre Arrangement and also of the failure of the Commission's textile sector policies.

It seems strange nowadays to remember that in July 1971 the Commission stated — and indeed said also to this Parliament — that it had a textile sector policy and that it intended to take all appropriate measures to maintain and modernize the restructured textile industry as a vital element of the industrial structure within the EEC. These optimistic words read strangely in the light of our universal recession in the textile trade. Since 1971 — since that statement was made — we have had 370 000 leaving the textile industry in the EEC. Last year, as has already been said, over 400 000 were either out of work or on short time. And I might mention that while of course this situation affects all parts of the EEC, and indeed other countries, my own country of Ireland happens to have, at 10 %, the highest proportion of textile production workers as a percentage of total industrial production. That is the highest in Europe, and we suffer correspondingly as a result of the recession.

But the main reason of course for the depression has been the extremely unfavourable development since 1971 of external trade. The balance of European textile trade was positive until the year 1973. It is now some \$ 900 000 000 in deficit and imports are 30 % of home consumption as against a mere 11 %, one-third of the amount, in the United States. As we know the existing Multifibre Arrangement has a number of defects — defects which I think should be a warning to us in preparing the new arrangement. There were also defects of administration, the failure of the Commission to administer the arrangement quickly and effectively. It was not entirely their fault. There were the problems caused by the cumbersome concertation procedures with the national authorities. There was a lack even of adequate statistical information on the EEC textile trade. And here again we find that there is no agreement on national nomenclature. One had delays in concluding the bilateral agreements between the EEC and the Third World, the Mediterranean Basin and State-trading countries, and the absence — and this is of course of vital importance — of any recession clause and the excessive growth rates provided for textile imports. The existing Multifibre Arrangement was designed essentially on the basis that there was a continuation of boom conditions. It has proved entirely inadequate at a time of world recession.

I have said these things not with a view to casting blame, but simply so that we can learn from experience in preparing a new arrangement. And that there must be a new arrangement, I think, certain. It is essential that there should be, and Mr Normanton is perfectly right in saying that the results of having no Multifibre Arrangement would be a sort of chaotic situation, with each country looking after its own interests. There must be a new arrangement. It is the only way to create an orderly climate in the development of the world textile trade. What I would suggest to the Commission is that this new arrangement should last longer than the last one — perhaps 5 or 10 years — in order for the planning and implementing of investment decisions to be made adequately, and of course there should be an escape clause to provide for a general recession, as we have recently had. I don't follow Mr Sandri in his political pronouncements about slave labour, but I think one can accept his point that a distinction must be made between genuinely under-developed countries and those that are undeveloped in other ways, but have advanced sectors; he mentioned Korea, Taiwan and Hong Kong, which are normally classed as undeveloped. There must be effective procedures to prevent market disruption — some kind of textile surveillance body with adequate powers and a secretariat that, on this occasion, is no longer ineffectual.

(Applause)

President. — I call Mr van der Mei.

Mr van der Mei. — *(NL)* Mr President, like the previous speaker I should like to thank Mr Cousté for bringing up this clearly very important problem. I, too, am in full accord with those who have drawn attention to the great significance of the textile industry for our Community. We need only think of the 3 million persons employed in this branch, and of the regions in which this industry is established to realize this. As we all know, many jobs have disappeared in the textile industry in recent years. The problem of the textile sector is partly of a cyclical and partly of a structural nature. The recession, for instance, has seriously affected the financial position of many enterprises — this a cyclical factor. A structural element is that the textile companies are facing a market which is generally no longer marked by growth. Naturally, other instances of cyclical or structural aspects could be given, but I shall leave it at that for the moment. One of the major problems of the present time is imports, which have contributed to the serious erosion of employment opportunities in this sector. The importation of textile products is not a new problem. The multifibre agreement has been in existence for some years, but we know that it has functioned very badly for the Community, partly because the Community hesitated for a very long time before signing self-restricting agreements. Now we face the problem of extending these agreements.

Van der Mei

It is my opinion, Mr President, that we must try and extend the multifibre agreement. The question which arises in this connection is this: is the Community moving towards protectionism? I do not believe that this is necessarily the case. The purpose of the present agreement is an opening-up and orderly course of trade, and I would emphasize that this must remain the objective of any new multifibre agreement. Which brings me to my next point — the orderly course of trade. Well, this includes trade with the developing countries. In my view that means that our textile industry must be given the opportunity, as part of the orderly course of trade, to adapt to the changed international distribution of work which is the consequence of the expansion of trade with the developing countries. However, the change in the international distribution of work must take place gradually. If it is not a gradual process there will be insoluble problems of employment. In general, I would say that the problem of the developing countries is one which concerns us, and must continue to concern us, but we cannot continue with development cooperation if it means helping the industrialized countries as it were along the road to economic destitution. If we allow the market to develop in an uncontrolled manner, i.e. if we permit unlimited imports, this will be promoting our own economic decline. That is why I feel that a new multifibre agreement must have an orderly course of trade as its objective.

I should now like to turn to a number of problems affecting the extension of the multifibre agreement. I only had a few comments from the present President-in-Office of the Council. Perhaps he will be prepared to say something more later. Our import policy must also take account of imports from the developing countries. The question then is — are these all really developing countries? I do not think so. Countries like Hong Kong, Taiwan and South Korea, all of which export relatively large volumes to the Community, are not exactly the type of country we have in mind when we speak of developing countries. In other words, we really must distinguish between the different kinds of developing countries.

Another problem we have likewise already touched upon is that of overall quotas for sensitive products. In my view, the new multifibre agreement should include the possibility of setting overall quotas. This is not an easy matter, of course, and I agree with what Mr Schwörer said on this. How would the Commission distribute these quotas among the Member States? And how would it ensure that no Member State is confronted with a volume of imports in excess of the quota allocated to it? A third point in connection with a new multifibre agreement is the growth in imports of sensitive products. I believe, in the light of the present difficult economic situation, that it would be best to stabilize the level of such imports and I

could even envisage a reduction in imports from certain countries such as Hong Kong, Taiwan and South Korea, thereby creating the possibility for new developing countries to increase or begin sending exports to our Community. In this way one could aim, as it were, at an overall stabilization of all imports of sensitive textile products.

Mr President, I see your gavel and shall stop talking. The time allocated does not allow a long speech and anyway we shall shortly be receiving the Normanton report dealing with the entire textile problem. To sum up, I am in agreement with the desire to extend the multifibre agreement, with some modifications. I believe that the objective of this agreement must be the opening-up and the orderly course of trade in textile products.

(Applause)

President. — I call Mr Noè.

Mr Noè. — *(I)* Mr President, ladies and gentlemen, we are fully aware — as has been made clear in this debate — that uncertainty and disorganization will continue to plague the textile industry in the Community unless the multifibre agreement is renewed with the certain changes, and it is this awareness which prompted our Group to give our support — already announced by my colleagues Mr Schwörer and Mr van der Mei to Mr Couste's move. If we do not take a careful look at the effect this will have on jobs, and at the social tensions which will be caused if indiscriminate exports from these developing countries — and from the State-trading countries — are allowed to continue to find their way into the Community, these social tensions will increase, while the current economic climate and the state of the money market in some countries, including my own, will make reconversion — which anyway cannot be done just like that — impossible as a solution to the problems I have mentioned.

The amendments which should be made to the current agreement have been discussed in the House. I am not going to waste any more of Parliament's time and I just want to comment on a couple of points. Firstly, the overall approach, and I shall give one example which shows the need for this overall approach. The Community covers a specific geographical area where products of the same category enter at a number of points. The decisive information here is the total volume of these products and their impact on the particular sector of the economy. What exactly does this mean? Let me give an example.

Suppose we have a tank which is leaking at several points. It is pointless to examine only one or other of these leaks. Only when we examine them all and add them up to we realize that something is wrong and that the tank is not doing what it should. What I mean is that at a certain point there are going to be so

Noè

many leaks that the tank is useless. In the same way, our textile industry is going to fail if the Community starts taking in too many imported goods.

We need an overall approach, therefore. Indeed, if these agreements are to be extended bilaterally following talks — which, of course, will also have to be bilateral — we should take the opportunity of setting a time limit on them. This is the only way we can hope to tidy up the situation.

Then there is the major problem of import quotas. Since we are dealing with sensitive products, there will have to be limits.

I should like to mention at this point two questions which arise in connection with sensitive products. Firstly, this sector should be expanded since the number of products it covers is too small. Increases in imports of sensitive products during the term of the agreement should, in any case, never exceed 1 % per year.

As for the 6 % which is allowed for other products, this too has to be watched carefully to establish just what the market can take, and there may be occasions when this figure of 6 % will have to be reduced so that the relevant sectors are not threatened.

There is only one way to tackle these talks, Mr President. We must give due consideration to the developing countries, and we must choose carefully, just as Mr Schwörer said and as Mr Deschamps pointed out during the Group discussion. If we do not do this, the major report which Mr Normanton is preparing on the textile industry will no longer be of any relevance. Unless the Community acts with regard to its external trading partners, it will not be possible to restructure the textile industry and the sector will continue in its severe crisis.

(Applause)

President. — I call Mr Tomlinson.

Mr Tomlinson, *President-in-Office of the Council.* — Mr President, I've listened to the whole of this debate here with considerable interest. Can I just say to everybody who is here how much the Council recognize the urgency of this problem. The urgency that has been expressed here comes as no surprise to the Council — it is one which is fully recognized and shared by them.

I think, one of the interesting things about this debate, recognizing the urgency of the situation in the Community textile industry is that also underlying it has been the recognition of the legitimate interest and the legitimate problems of third world countries. Speaking as a British minister in our Ministry of Overseas Development as well as a minister in our Foreign Office I may say how much I welcome the underlying

concern that has been shown by a number of the delegations who spoke here this afternoon. That fits in and accords well with the concern that was shown last month on the general area of North-South dialogue problems.

Having said that Mr President, having noted all the remarks that have been by all the speakers, I can reaffirm quite clearly that the common position which the Community will reach on this subject will provide adequate protection for the Community's textile industry against the threat of cumulative market disruption. All the other points have been noted, Mr President, and will certainly be taken into account by the Council in their decision-making process.

President. — I call Mr Cousté.

Mr Cousté. — *(F)* Mr President, I too, like the President-in-Office of the Council, acknowledge that this debate has been very useful; I believe therefore that, when it comes to give the negotiating brief, the Council will heed the advice which has come in fact from all quarters.

The problem may be analysed in different ways; Mr Sandri's way is most certainly not mine. Nevertheless, it is perfectly clear that, although our analyses differ, Mr President, we came to the same conclusions — we wish to safeguard the interests of the developing countries, but we cannot do so at the cost of the destruction, in whole regions or countries, of our textile industries. We want overall quotas to be drawn up for control purposes. The bilateral agreements of the Council cannot fit into an overall context unless there are overall quotas. Within the limits of the overall quota, all concerned (i.e. the Community and the developing countries) will know that what they can actually sell on this market, including even sensitive products. Furthermore, we must contribute to the development of new producers of textiles. How can we do this other than with an overall quota which will enable the Commission, when the time comes, to negotiate under Article 4 of the Multifibre Agreement which we are going to renew, and at the same time to modify and adapt both Community requirements and the opportunities for the developing countries?

It is our duty to conciliate. Mr Barre said to the European League for Economic Cooperation last Friday: 'We are not protectionists, we want an organized freedom'.

It is to this end of organized freedom that I ask you, Mr President, of the Council, to give of your best by deciding in the near future to give the Commission a clear brief to negotiate the fixing of overall quotas.

(Applause)

President. — The debate is closed.

President**13. Commission information programme for direct elections to the European Parliament**

President. — The next item is the report (Doc. 93/77) drawn up by Mr Schuijt, on behalf of the Political Affairs Committee, on the European Community's information policy, with particular reference to the Commission information programme in preparation for direct elections to the European Parliament.

I call Mr Schuijt.

Mr Schuijt. Rapporteur. — (NL) Mr President, the newspaper which is so kindly provided at breakfast in this City, announced that we were going to have an extremely important debate today, a debate of great topical interest. I would be the last to deny the topicality of this issue, but I should nevertheless like to point out — and this is not intended as a criticism of the Presidency — that in view of the importance which is clearly attached to this debate, it has not been particularly well timed.

There is no need for me to argue in this House that the success of the direct elections to the European Parliament will be a test case for the political involvement of the citizens of our countries. The authority and legitimacy of this Parliament, and consequently the improvement of the democratic structures of the Community by means of a better balance between the institutions, depend considerably on the size of the poll in these elections. If they are to be encouraged to turn out in great numbers the voters must naturally be well informed. The question of information for the direct elections was brought up over a year ago in a motion for a resolution tabled by Mr Bertrand on behalf of the Christian Democratic Group, which was referred on 8 March 1976 to the competent Committee, in this case the Political Affairs Committee.

In view of the forthcoming debate on the general budget of the European Community for 1977, the Political Affairs Committee proposed that the Commission's appropriations for information on direct elections be increased by 600 000 u.a. to 1 million u.a. The Political Affairs Committee also requested that this amount should be frozen until Parliament had approved the detailed programme of projects which the Commission intended to carry out and until this programme had been coordinated with the European Parliament's own programmes in this field. A draft amendment to this end was approved on first reading by the Committee on Budgets and adopted by the European Parliament as Amendment No 123.

The draft budget adopted by Parliament was modified by the Council, which scrapped the amendment. At the second reading on 16 December 1976, however,

Parliament decided to reincorporate the amendment into the budget by means of Amendment No 4 tabled by Lord Bruce on behalf of the Committee on Budgets. On 8 February, Parliament requested the Commission to submit its information programme for direct elections to the European Parliament before 30 March 1977, and asked the Political Affairs Committee to report in detail on it during the plenary sittings of May 1977 at the latest.

The Commission submitted its information programme to the Political Affairs Committee by that deadline, for which we are extremely grateful. It is an extension of the normal programme of the European Commission. 65 % of the information activities carried out under the normal programme in the nine countries of the Community will deal with the direct elections. The additional 1 million u.a. means that certain activities can be intensified. The European Commission intends to use these funds mainly for informing the public and increasing its awareness. Any activities aimed directly at the voters should therefore be financed out of the funds for normal information activities already envisaged for 1977.

The committee studied the information programme and included it as an annex to its report. The attitude of the committee is based on the consideration that 180 million European voters must be put in a position to be able to make a conscious decision regarding the future of Europe. This means that we cannot wait any longer for suitable information programmes. The Political Affairs Committee is in full agreement with the Commission of the European Communities on this point.

On the other hand, however, the provision of information in this field is not only a matter for the Commission, the European Communities or Parliament.

The Member States themselves have a part to play since, in ratifying the Convention and introducing electoral legislation, they have accepted the responsibility of enabling the people of their countries to carry out their new duties as citizens. One aspect of this responsibility is undoubtedly the provision of objective information with a view to promoting a keen public awareness of the importance of this consultation for all the Member States for Europe and for the strengthening of democracy.

This is all quite separate from the electoral campaign itself, which is a matter for the political parties. The funds provided by the European Community are intended for use in supplying unbiased objective information in preparation for these elections, and thus, in my view, have supplementary function. In deciding how much money should be set aside for this purpose, we must bear in mind that these activities cannot be financed solely from Community funds. But it is clear that the amounts earmarked in

Schuijt

the Community budget for 1977 are grossly inadequate considering the scale of the operations to be undertaken in the nine Member States, and the size of the electorate which must be reached.

Thus the first information programme drawn up by the European Commission, which is based exclusively on the amounts currently available, only relates to what can be done in an initial phase. Your Political Affairs Committee therefore urges the European Commission — possibly with the assistance of organizations specializing in this field — to draw up as soon as possible, and in any case not later than 31 July 1977, an overall and more detailed programme containing financial estimates which can also be taken into account in the 1978 draft budget. In this way, the financial means can be adjusted to match the considerable needs, which can then be assessed more easily, given that the current level of information in many Member States is inadequate. We must close this information gap in a relatively short time if the direct elections are to be successful. Parliament will also state its opinion on the information campaign as a whole, either with a view to a supplementary budget for 1977 or on the occasion of the debate on the general budget for 1978.

Just a brief remark, Mr President, on the coordination of the Commission's and Parliament's information activities which the Assembly feels to be so important. We must clearly avoid the two Community institutions drawing up and implementing programmes which are not in line with each other, or which conflict or overlap, thus wasting money and energy. Clearly, the two Community institutions and their services must make as efficient use as possible of the money available and to this end maintain regular contact with each other. For this reason, the Political Affairs Committee feels that it would be useful to set up a body consisting of representatives of the European Parliament and the Commission to study and coordinate the activities for which the special appropriation for 1977 for neutral information is to be used, whilst respecting — and I should like to stress this — the competencies and duties of both sides. One might ask what the purpose of a body such as this would be and what powers it would have. I do not think we need make too much a problem of this. It would be a cooperative body born of necessity as a result of two institutions including items on the budget for the same purpose, i.e. dissemination of information on direct elections. All this body would do would be to study whether the work of the institutions was reasonably and efficiently coordinated. It would take no decisions but merely advise the individual institutions, each of which would remain independently responsible for the efficient use of the funds. I also think that we should give a thought now to what might happen in the future. Some European or even national organizations involved in providing information on these elections might also feel the need for coordina-

tion of their many, widely scattered activities in order to save money and energy while at the same time, achieving maximum efficiency. In this connection, I should like to thank the Committee on Budgets and its chairman for their willingness to put the unfreezing procedure into action at such short notice. As regards the actual use made of these information appropriations, I hardly need to point out that the Control Subcommittee will continue with its normal activities in this field, as was clear this morning from the meeting of the Committee on Budgets. Your committee thought it important that a direct link should exist between this body and the competent parliamentary committee i.e. the Political Affairs Committee, which according to the penultimate paragraph of the motion for a resolution, is to keep the implementation of the information programme under review and, if necessary, to report to Parliament on the matter.

Finally, the President is requested in this motion for a resolution to forward it not only to the Council and Commission but also to the parliaments and governments of the Member States, since it contains an appeal to the national authorities to make funds available for the provision of objective information on the need to participate in the direct elections to the European Parliament. In view of these considerations, your committee feels that the political conditions for unfreezing the appropriations in question have been met, and the Committee on Budgets has therefore been informed of this in writing.

(Applause)

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

Mr Mitchell. — Mr President, I would like to congratulate the rapporteur on producing his motion for a resolution. We accept of course that we have a very difficult job ahead, that if we are to interest the people of Europe in direct elections, then a great deal of work will have to be done, both by the Commission and by the Parliament.

I don't know what the position is throughout the Community, but I suspect it's not all that different from that in my own country, where the interest in the whole question of direct elections is at a fairly low level. I suspect if I went to my constituency this weekend and said: What's your opinion about direct elections to Europe?, they would say: What? What are direct elections? However some people may think otherwise, I suspect there is very little difference in other countries in the Community.

Therefore we do have a very important information job to do, because whenever direct elections come — and I personally hope that they will come in 1978 at the target date, although I am becoming rather less optimistic on that point as time goes along, but I nevertheless still hope that we can get them in 1978

Mitchell

Or, if not, in 1979 or 1980 it is important, if this Parliament is to mean anything after direct elections, that there should be a fairly high poll at those elections. It would be quite disastrous, in my view, if this European Parliament were directly elected on a poll of 30 % or 20 % or even lower. There is therefore a tremendous information job to be done, and I accept the first item on the motion for a resolution, which says that the appropriations for this matter in the current year of 1977 are inadequate. But we are faced with the problem, we have an appropriation, we have to deal with it. I hope the appropriations for 1978 will be a great deal larger than in 1977, because that is perhaps when the real work will have to be done.

I don't want to repeat all the things the rapporteur has said. What I would like to do is to concentrate on the one issue where we differ, as a Socialist Group, from the rapporteur, and that is on Item 4, where we have put down an amendment to delete this paragraph. The reason we asked for this paragraph to be deleted is not because we don't believe there should be coordination — of course there should be coordination — between the money available to the Commission and the money available to the Parliament. Of course it's important that we don't have both organizations running a seminar for the same group of people, for example; there must be coordination. But I would have thought that it was inevitable anyway in the general order of things, that the officials of the Commission and the officials of the Parliament, particularly those dealing with information, would readily get together and discuss a common programme. The majority of the Socialist Group takes this view, although I understand there are a couple of my Dutch colleagues who disagree with the Socialist Group's amendment and have turned up at this late hour to express their disagreement. That only goes to show what I have always said all along, that we are really a community of nine nations, not a genuine community, and when it comes to a point, national loyalty always overrules political philosophy, but that's by the way. We feel it is not necessary to create a set body, particularly one containing parliamentarians, to deal with this coordination.

We think it can be done quite simply behind the scenes by the officials of the Parliament. It was originally proposed in the Political Affairs Committee that there should be, I think six or nine Members of Parliament, plus so many members from the Commission sitting on a body to coordinate. Once you do that you're setting up a bureaucracy and you're also creating a difficulty here — you're in danger of bringing the Commission into the political arena. Because, after all what this money is voted for is information services for direct elections. It is not a political issue. It must be a genuinely non-party-political information service. I can foresee now six Members of the

European Parliament sitting on this committee with members of the Commission, with all the political arguments that would go on there, involving the Commission, delaying the whole process, in my view.

It is far simpler to say to the Commission: get together with the people in the information department in the Parliament, work out a joint programme, so that you don't overlap, and get on and to the job. Don't set up this committee. Now how can we then monitor it? I feel we can monitor this quite simply by having a regular progress report to the Political Affairs Committee. The Commission has said that they will come and make regular reports through the Political Affairs Committee on this matter.

I would hope that the Members of this House would support this amendment. The whole thing can be done much more quickly in my view if it is done informally, rather than by setting up some formal structure where we would inevitably get involved in political arguments and all the rest. The appropriation this year is for information leading to the direct elections; the job of the Commission is to provide both sides with information which is not politically-biased in any way. I am sure we can get on with the job far better without having a joint committee as proposed in paragraph 4. At the appropriate time I will therefore move the amendment to delete this paragraph.

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

Mr Meintz. — (*F*) The enormous efforts currently being made by the major political groupings in Europe and the work being done to establish electoral platforms and programmes only enhance the importance of Mr Schuijff's report. I should first of all like to congratulate the rapporteur on his report, which is his second on this subject, and mention a few points with which my Group is in agreement. We joined him in requesting the unfreezing of this one million u.a. with a view to getting this campaign — and we all know how important it is — finally under way. The Commission, too, should undertake certain joint activities with European organizations such as the European Movement, the universities, women's organizations, etc, while we for our part should conduct a full-scale publicity campaign.

Secondly, we share the rapporteur's view that these appropriations will only cover an initial phase in this work, and my Group would have been grateful for a summary of all projects envisaged up to May, as we still hope — indeed we are convinced — that it will be possible to hold these elections in May.

Thirdly, unlike the previous speaker, we agree with the rapporteur that a liaison body consisting of members of our two institutions and responsible for coordinating these activities at a very tangible level would be extremely useful. Mr President, we do not

Meintz

have much time in which to make the 180 to 200 million electors in our Community aware of the issues involved. We know how hazy ideas about Europe are and we also know that we have not yet succeeded in demonstrating to the people of Europe that we in the European Community take decisions which affect their everyday life.

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

Mr Spicer. — Mr President, I shall be very brief. Having been involved over the last five years very much more in campaigns for Europe than many other Members in this House, because I was closely involved in the campaign in the United Kingdom in 1970 to 1971 and again last year in the referendum campaign on behalf of my group I have absolutely no hesitation in saying to the rapporteur that we agree with him wholeheartedly on the need for a further campaign now as we move towards direct elections.

We would further agree with him that that campaign cannot be run by the Commission or by the Parliament alone, it must be run in tandem with both sides working together as much as they can. I would disagree with Mr Mitchell in what he has just said. He said that it is inevitable that if you have these campaigns they will come together and there will be no overlapping. He said it was inevitable that the officials would come together and sort the thing out. In my experience of the campaign in 1970/1971 and in the campaign last year, nothing could be further from the truth, because officials never like coming together and there is a natural reluctance. The Commission have their world, we have our world and never the twain shall meet if officialdom can possibly stop that happening. I would not agree that the overall umbrella organization needs to be a very strong one, but I do think it needs to be in the form put forward by our rapporteur and therefore I shall support his position on this.

I would disagree with the rapporteur on one point that he makes. He talks about the funds available as being grossly inadequate. My experience is that the return you get from these campaigns is in inverse ratio to the amount you spend. The more you spend, the less value you get from it, and the more we lay ourselves open as parliamentarians and as a Community to those critics who say: look at that lot, there they are spending our money. Nine times out of ten the more you have got to spend, the more badly you spend it. I personally want to see a tightly controlled budget being used to the best effect and therefore I would take issue with you on those two words 'grossly inadequate'. After all, the aims of this expenditure in parliamentary terms is not to flood everyone and get everyone sitting back assuming they do not need to do anything because the Parliament will take care of it

or the Commission will. Our job is to oil the wheels and to enthuse those pro-Europeans who do exist in large number — and I know Mr Mitchell will agree with me — in Southampton, in Dorset and in other places in the Community. These people are there. They just need to be enthused and to be given a lead, and so I hope that that is what will happen with this money and with the Parliament's money.

We can use money to oil wheels but we all know quite well that the central issue here is how to get public exposure for the whole prospect of direct elections and how to enthuse public opinion. At the moment — and I make no apology for speaking from the United Kingdom point of view on this — it is those who are against direct elections who are holding all the limelight in the United Kingdom, because we are on the defensive and we react to what they say. And therefore I hope that the money that the Commission has available now will be spent on a positive programme which will publicize what this Community is doing for the citizens of this Community, and that we do not just sit back and react to the anti-market propaganda that is coming out day after day.

On my final point, I turn to the Commission. Their role in the next six months is vital. It is no use my saying to BBC television or to ITV that I am available and would love to do a nationwide broadcast, because they will say: That's absolutely lovely; come back again in ten years' time and we might reconsider the situation. But if I could get a Commissioner it would be different. For example, against the background of the problems we have had with the price review in the United Kingdom, some people — quite wrongly in my view — have been lining themselves up with the interest of the consumer and at the same time destroying market identity and feeling for the market. But if I can get Mr Gundelach to do a one-hour programme in the United Kingdom on probably the best and biggest station — Southern Television — we can get, in that one hour, more exposure than we can get from the expenditure of £ 100 000. And I would ask the Commission to please examine how the Commissioners spend their time in this particular area, because my impression is that, with the best intentions in the world, they want to help but they go from A to B to C to D. The impact is nil, because it is not a coordinated programme and it is not directed towards public opinion. What they are trying to do at the moment is their job, which is a very worthy thing, but there is another aspect to their job and that is to sell themselves, and, in selling themselves, to sell our Community. The best way that we can make an impact on public opinion within the Community is by the Commissioners setting aside more time for public appearances properly dovetailed into a programme and not indiscriminate moves on various fronts. I think we would all benefit from that.

Spicer

Sir, I thank the rapporteur. It is a very vital question. You can see at this stage in the evening there is not all that much interest in it, but nevertheless, on behalf of my group and everyone else in this House I wish the programme that will be initiated as a result of this proposal every success over the next year. I am sure it will have.

(Applause)

President. — I call Mr Natali.

Mr Natali, Vice-president of the Commission. — *(I)* Mr President, I too will try to be extremely brief but not because the subject is unimportant — on the contrary, I think the objectives of the information programme are of vital significance.

I should like to congratulate the rapporteur once again on the succinctness and completeness of his report. He was kind enough to mention the contacts we have had, the fact that the Commission submitted the programme in good time, and the extensive discussion within the Political Affairs Committee in Rome and London. I also feel that the speeches of the honourable Members — whom I thank for their contributions — dealt mainly with a number of points on which there appears to be total agreement.

We are all convinced that 1978 — which we must all undertake to adhere to as the deadline for the elections to the European Parliament — is one of the most important dates for the life and future of the people of Europe. Without wishing to enter into a discussion on the possible prerogatives, competencies and powers of the European Parliament, it is an incontrovertible fact that the higher the poll the greater will be the dignity, the prestige and the ability of the elected assembly to influence the future of the European Community.

I say this to stress once more that the Commission does not intend to be a mere spectator in this major event. Whilst aware of its own limitations and responsibilities, the Commission nevertheless hopes to play a part of its own, and feels that one aspect of this — indeed the most important aspect — consists of providing clear and objective information and of the problems and major issues which should be brought to the attention of the citizens, so that their participation — which might otherwise appear a mere formality — becomes a major political factor.

We must conduct this campaign to stimulate public awareness. We are all agreed on this point. The programme we have submitted first of all to the Political Affairs Committee and today to Parliament itself, contains proposals dealing mainly with the training of those persons who will be responsible for stimulating public interest.

We do not feel, nor have we ever felt, that there is any need to conduct a large-scale campaign right from the outset, as it would probably run out of steam too soon,

whereas the greatest efforts should be made at the time of the decisions themselves. Nevertheless — as the rapporteur pointed out — approximately 65 % of the activities envisaged under the normal information programme will deal with the elections to the European Parliament.

We will naturally submit a programme for the further development of the campaign at a later date. The Commission is aware of its responsibilities and realizes that the major decisions regarding the directions we should take also depend upon the initiative and influence of the political parties.

We hope that it will be possible for movements with their own traditions, guaranteeing ability, seriousness and faith in European ideas, to collaborate effectively in this campaign to make the people of Europe aware of the issues involved.

We therefore clearly accept the request from the Political Affairs Committee that we should submit a follow-up programme for the future as soon as possible. I should like to say that, apart from providing technical assistance, we do not intend to go round trying to 'sell' Europe. The problem of Europe is first and foremost a problem of promoting the awareness, the ability and the will of the public.

In presenting this programme, we are also aware of the need — in view of the resources available — to work out some method of coordinating financial commitments. As the rapporteur is aware, the Commission is greatly concerned with avoiding bureaucratic encumbrances and institutional problems which might prevent us from putting our programme into action as soon as possible.

Clearly the work of the Commission is not limited — nor does the Commission wish it to be limited — to drawing up the programme and implementing it after its adoption by Parliament.

We are quite aware that the decisions, participation and awareness of the public also depend in part on the nature of the policy contained in the Commission's proposals, the deliberations of the Council of Ministers and the debates in the European Parliament.

It is no accident that we are meeting at such a late hour this evening, as yesterday and today Parliament has been dealing with a number of major issues involving the life and future not only of our European Community, but of the world as a whole. Yesterday we discussed energy, today we discussed human rights and possible activities to maintain and consolidate world peace.

We are quite aware — and I am saying this in reply to the representative of the Liberal Group — of the need for the Commission as such, and the individual Commissioners, to play their part in explaining any decisions on policy. However, our job at the moment is not so much to analyse what might be done, but to

Natali

realize that our legal and political obligations must be finalized in preparation for this major event. This means — and I should like to finish by repeating this point and apologizing for speaking for so long — that we must do all we can to stimulate the awareness of the citizens of Europe in the light of this major, fundamental step — 20 years after the signature of the Treaty of Rome — towards a new life and new development for our European Community.

(Applause)

President. — I call Mr Schuijt.

Mr Schuijt, rapporteur. — (NL) Mr President, as is customary, let me begin by expressing my appreciation for the support my Mr Meintz and Mr Spicer have given to my report. I should also like to thank Mr Mitchell, who goes along with the general ideas and intentions of this report. Of course, I can hardly agree with his amendment, but I have no intention of going into this now as we have already spent five or six hours discussing it in Rome and London — the outcome being that the Political Affairs Committee voted unanimously in favour of this report except for two members, one of whom was Mr Mitchell, who abstained.

We consider this an extremely important issue, but we cannot go on discussing it at around midnight after an extremely hard day. I should just like to thank Mr Natali for the penetrating contribution he has just made at such a late hour. But we know the Commission — it always gets to the heart of the matter.

President. — Ladies and gentlemen, the Committee on Budgets has informed me that, in accordance with paragraph 2 of the Resolution adopted by Parliament on 18 June 1976, the 'frozen' budget appropriations can be released as requested. I shall officially inform the Council and Commission of this.

We shall now consider the motion for a resolution.

I put the preamble and paragraphs 1 to 3 to the vote.

The preamble and paragraphs 1 to 3 are adopted.

On paragraph 14 I have Amendment No 1 tabled by Mr Mitchell on behalf of the Socialist Group, seeking to delete this paragraph.

I call Mr Mitchell.

Mr Mitchell. — Just one word, Mr President, since I realize it is late.

Let me tell you exactly what will happen if we proceed with paragraph 4. The Political Affairs Committee of this Parliament will get together to say, 'How do we select the representatives of the European Parliament to sit on this joint body?' And of course they will say: 'Will it be four, five, six... No it must be nine, because every nation will want to be represented on it'. That's the first point. You're bound to have nine Members of Parliament at least, because

every nation will want one of its own. Oh yes, they will: I can see Mr Blumenfeld shaking his head, but if there's no German Member there, I can hear outcries from the German Members on all sides of this House.

Second point. They will say, 'Ah yes, we've got to have three Socialists, but of course we only have one Christian-Democrat if we have three Socialists, don't we? And if we're going to have Christian-Democrats, we've got to have one Liberal, we've got to have one of this and one of that'. We're going to end up with the most utter bureaucracy all for nothing, all for something which could be done quite simply by two sets of officials sitting down together to deal with this problem. We are going to bring at least nine Members of Parliament over to Brussels, or to wherever it is, at great expense, all to decide whether the Commission and the Parliament are running a seminar in the same place at the same time. Quite frankly, the whole thing could be done behind the scenes. That's all I want to say. I think it's bureaucracy pure and simple, a complete waste of money and a complete waste of time.

President. — I call Mr Schuijt.

Mr Schuijt, rapporteur. — (NL) Mr President, I am sorry, but Mr Mitchell is painting a picture which went down well enough initially in the Political Affairs Committee but which later faded completely. If he reads the resolution now, he will see that the representatives of Parliament would be appointed, not by the Political Affairs Committee, but by the President of Parliament, and that they would not be appointed because they were German, French, Dutch or British, nor because they were Socialists or Christian-Democrats or Liberals, but on the basis of their expertise in this field. Furthermore there should not, in my view, be more than three politicians, assisted by two very high-ranking officials. We really do not need more than that to ensure effective coordination. The picture painted by Mr Mitchell is one that was abandoned long ago and would in fact mean that no serious work could be done because every document would again have to be submitted to the Political Affairs Committee. In any case the rapporteur of the Political Affairs Committee should, *ex officio*, be one of the three appointed experts, for purely practical reasons. The rapporteur of the Political Affairs Committee would maintain contact with the Political Affairs Committee and keep it informed of the situation with regard to coordination, so that the bureaucratic apparatus of the whole Political Affairs Committee does not have to be set in motion every time to draw up a report which must then be put before Parliament to be adopted again by the Assembly. Of course no-one can work like this, and if it were the case Mr Mitchell would be right — but he is tilting against windmills which fell down long ago.

President. — I put the amendment to the vote.

Amendment No 1 is rejected.

I put paragraphs 4 to 6 to the vote.

Paragraphs 4 to 6 are adopted.

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

The resolution is adopted.¹

14. *Agenda for next sitting*

President. — Ladies and gentlemen, before closing this sitting I should like to thank the representatives of the Council and the Commission, as well as you yourselves, for having attended this long sitting. I should also like to thank the staff and the interpreters, who, despite the late hour and a tiring day, have carried on doing excellent work.

The next sitting will be held tomorrow, Thursday, 12 May 1977, at 10 a.m. and 3 p.m., with the following agenda :

- Vote on the urgency of the Scott-Hopkins motion for a resolution
- statement by the Commission on agricultural prices
- report by Mr Adams on the European Social Fund
- report by Mr Lezzi on the improvement of living and working conditions
- report by Mr Cointat on fraud relating to the common agricultural policy
- report by Mr Laban on the modernization of farms
- oral question with debate to the Commission on Italian control of currency in cash form
- report by Mr Notenboom on turnover tax in international travel.

The sitting is closed.

(The sitting was closed at 11.30 p.m.)

¹ OJ C 113 of 6. 6. 1977

ANNEX

Questions to the Commission, which could not be answered during Question Time, with written answers

Question by Mr Zywiets

Subject : Flight safety

In the Commission's opinion, what measures would be expedient and necessary to bring about a marked improvement in flight safety, both in civil aviation and between the civil and military sectors in Europe ?

Answer

The Commission shares Parliament's concern with regard to flight safety. Commission studies and proposals in the field of aviation have hitherto concentrated more on the problems of production and requirements in aircraft construction than on the highly technical and specific questions of flight safety. However, when the Council has taken a decision on the Action Programme for the European Aircraft Industry, submitted by the Commission in October 1975, the Commission will be able to examine in greater detail the field of application for a Community initiative on flight safety.

Question by Mr Pistillo

Subject : European Youth Forum

What action has the Commission taken on the decision to set up a temporary Youth Secretariat to carry out the preparatory work for a European Youth Forum ?

Answer

Following the Council decision of 29 June 1976 to make 50 000 u.a. available for the setting up of a provisional Secretariat to prepare the way for the creation of a European Youth Forum, the Commission invited the leaders of youth organizations to Brussels on 23 July and 25 October.

The purpose of these meetings was to reach agreement on the activities and methods of the provisional Secretariat. The second meeting resulted in unanimous agreement on the establishment of the Secretariat, which is made up of 10 members who reflect the interests and different political affiliations of the national and international youth movements. The role of the Secretariat is to encourage consultation, provide progress reports and draw up proposals concerning the objectives, structure and methods of the Forum. The provisional Secretariat has met frequently; two general meetings were held on 20 December 1976 and 26-27 April 1977.

The independence of the Secretariat's discussions and activities has been respected to the letter by the Commission which has nevertheless remained in close contact and given the necessary assistance. It is expected that the Secretariat will shortly nominate a Secretary-General. An office can then be opened in Brussels and work can get under way.

Question by Mr Früh

Subject : Feedingstuffs legislation

When does the Commission intend to supplement the provision to the effect that aid for skimmed-milk powder under Regulation No 804/68 can only be granted where the mixed feedingstuffs concerned (milk substitutes) contain at least 60 % skimmed-milk powder by stipulating that for the purposes of feedingstuffs legislation the production of such milk substitutes may only be based on whole milk or skimmed-milk powder ?

Answer

The Commission grants subsidies for the use of skimmed-milk powder in calf-feed only where they contain a minimum of 60 % of skimmed milk powder. This encourages the use of skimmed-milk powder, but the Commission is not at present intending to make the use of it compulsory.

Question by Sir Brandon Rhys Williams

Subject : Tripartite Conference

When and where will the next Tripartite Conference take place and what will be the principal items to be discussed ?

Answer

The next Tripartite Conference is to take place on 27 June in Luxembourg. The subject of the conference will be growth, stability, employment opportunities, stocktaking and prospects. In preparation for the conference, the Commission is to adopt a discussion document next week in which information is given on what has become of the objectives laid down at the last conference. The document will also contain a brief analysis of the present grave socio-economic problems, put forward some suggestions for the policy which should be pursued, and lastly set out a number of problems to which neither the governments nor employers and employees nor the Commission have yet found complete answers and which thus require closer study.

Question by Mr Seefeld

✓ Subject : Checks on currency carried by tourists.

What steps can the Commission take to ensure that the checks still made by some Member States on currency carried by tourists are abolished as soon as possible, so that at the start of the holiday season travel within the Community is no longer hampered by bureaucratic obstacles ?

Answer

The complete abolition of currency checks at national frontiers will be possible only when the free movement of capital in all the Member States has reached a much more advanced stage. This stage has not yet been reached in a number of Member States. In addition, in view of balance of payments difficulties, some Member States (Italy, France and the United Kingdom) have been authorized by the Commission in accordance with Article 108, (3), of the EEC Treaty to place restrictions on all or part of the capital transactions which they had hitherto accepted should be unrestricted.

This authorization, which is reviewed at regular intervals by the Commission, allows these Member States to check that the relevant provisions are not being flouted. These measures include checking at frontiers the amount of currency in the possession of resident and non-resident tourists, as it is well known that capital can be illegally exported by this route.

The Commission would like to emphasize, however, that it makes every effort to have eliminated, simplified or made more flexible all checks and formalities between Member States which, though they cannot be described as infringing the rules of the Treaty, are nevertheless, in the eyes of the public, an absurd and unjustified anachronism at national frontiers within the Community.

In reply to the honourable Member's question the Commission assures him that it has already approached the Member States which perform such currency checks and that it will continue to do so with the purpose of urging them to be as flexible as possible. The honourable Member will be aware that the Commission has already taken the matter up with the Italian authorities.

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IN THE CHAIR : MR BERKHOUWER

Vice-President

(The sitting was opened at 10.00 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?

I call Mr Dalyell.

Mr Dalyell. — Mr President, I refer to a point of which I have given notice to Mr Paul Heim, and I hope through him, to you, namely the minutes of yesterday's proceedings PE 48.890, page 6, and particularly Question No 22 by Mr Normanton, to whom I have also given notice, on the loss of uranium oxide in transit. It says that the question 'became void'.

Mr President, the loss of this question is about as strange as the loss of 200 tonnes of uranium oxide, because, Mr President, as I understand from Mr John Taylor, the Director-General of Research and Documentation, it is the first time that the European Parliament has ever allowed a question which has actually been on the order paper, ready for answer, to be declared void. This, as I understand it, is something that is absolutely unknown.

Now the reason that was given for this is that in fact it has been superseded by events and by a debate that had taken place. Well, Mr President, we have to be a bit consistent, because, as you very well know, there are many questions that pertain to a subject on which we have just had a debate or are about to have a debate. And indeed, just as an example, there were questions yesterday on human rights, raised by my honourable friend, Mr Broeks, and others. Now why is it that...

President. — You cannot make a speech. You must come to your point of order.

Mr Dalyell. — ... My point of order is: first of all, by what method was the question declared void? Secondly, there was an unanswered element to the question, namely losses of fissile material since 1968. That posed a new subject; it was not covered by Commissioner Brunner in his answer.

I looks to many of us as if someone somewhere — and I raised this with my political group — does not want this subject raised, and the precise point of order is: will someone from the chair make a statement tomorrow morning at the start of business as to why this question was not allowed, and how it suddenly happens that apparently the Bureau reach a decision which they have never reached before? There is no precedent for this. Nor, as I understand it from Research and Documentation, is there any rule governing the withdrawal of questions once they are

Dalyell

before the Parliament and perhaps the property of the House.

Mr President, I think there are serious issues involved here. I am hoping that there will be a statement tomorrow morning.

(Cries of 'Hear!, hear!')

President. — I call Mr Normanton.

Mr Normanton. — I am grateful to Mr Dalyell for having given notice of his intention to raise this matter of my question on the order paper. May I suggest, Mr President, that at the very earliest opportunity you have a discussion with the President of Parliament and see if one can establish a better means of dealing with this kind of event. I am far more concerned with the matter of principle, in fact, than with the loss of the 200 tonnes of uranium. That matter, I am satisfied, will be clarified very quickly and no doubt reported upon appropriately to Parliament. But it is the procedure which I think must take priority in our consideration and it should be dealt with by the President and in the Bureau, not in open plenary.

President. — The question about uranium was declared inadmissible yesterday by the President on the basis of paragraph 2 of the Guidelines for the Conduct of Question Time under Rule 47 A:

Questions shall not be accepted for Question Time at any part-session if the agenda already provides for the subject to be discussed with the participation of the institution concerned.

This rule was applied yesterday by the President and Parliament agreed with the decision. I cannot rescind this decision today. I am prepared to adopt the suggestion made by Mr Normanton and to discuss in the Bureau the relevance of this rule which was applied by the President yesterday.

Are there any other comments on yesterday's minutes of proceedings?

The minutes of proceedings are approved.

2. Agenda

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

Mr Martens. — *(NL)* Mr President, the Committee on Agriculture had to hold a special meeting yesterday afternoon to discuss two regulations, the first being Regulation No 1163/76 regarding the granting of a conversion premium in the wine sector, a report on which has been drafted by Mr Liogier. This matter is very urgent. It is proposed that this item be added to tomorrow's agenda. It may be possible to deal with the report without a discussion. Secondly there is the

Regulation concerning the conclusion of an agreement between the European Economic Community and the United States of America concerning fisheries off the coasts of the United States and establishing the provisions for its application, which is dealt with in Mr Hughes' report. We would therefore like to propose that both reports be put on tomorrow's agenda because they are regarded as urgent matters.

President. — I put to the vote the proposal to include in tomorrow's agenda the Liogier report on the wine sector (Doc. 109/77) — without debate — and the Hughes report on fishing (Doc. 110/77).

That is agreed.

3. Verification of credentials

President. — At its meeting today the Bureau verified the credentials of Mr Erik Holst and Mr Geoffrey Rippon. Their appointment, by the Kingdom of Denmark and the House of Commons of the United Kingdom respectively, was announced on 9 May.

I propose that these appointments be ratified.

Are there any objections?

These appointments are ratified.

4. Membership of committees

President. — I have received from the Socialist Group a request for the appointment of Mr Erik Holst to the Political Affairs Committee and the Committee on Energy and Research.

Are there any objections?

This appointment is ratified.

5. Urgency of motion for a resolution on agricultural prices

President. — The next item is the request for urgent debate on the motion for a resolution tabled by Mr Scott-Hopkins on behalf of the European Conservative Group on the agricultural price negotiations for 1977/1978 (Doc. 108/77).

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, as the House will see, item No 87 on the agenda is to be a statement by the Commission, which is in fact half of what my group wanted, namely a statement in this House after the settlement of the price review. The other half of course has not been satisfied, because the Minister is not going to make any statement for the Council. I regret that, but nevertheless there is no point in pursuing this matter and in view of the circumstances, and since the principle has been established, we would wish to withdraw our motion.

President. — The motion for a resolution on agricultural prices (Doc. 108/77) is therefore withdrawn.

6. Agricultural prices

President. — The next item is the statement by the Commission on agricultural prices.

I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, on Mr Gundelach's behalf, who cannot be amongst us today as you know, I would like briefly to bring Parliament up to date about how things stand in the Council regarding the Commission's proposals on agricultural prices. At Parliament's last part-session in April, Mr Gundelach gave a full report on the proposals in the interim stage which were in the nature of a compromise. The proposals for agricultural prices and related questions were discussed in detail in the Committee on Agriculture and in plenary Assembly. Mr Gundelach's statement was followed by a full debate in Parliament and then Mr Gundelach answered a large number of questions. Next, on 25 and 26 April last, the Council approved the proposals as they then stood with two changes, the only amendments which the Council made to the Commission's proposals.

The Commission had proposed to fix the butter subsidy for the United Kingdom at 30 u.a. per 100 kg up to and including 31 December 1977 and at 25 u.a. per 100 kg from then until and including 31 March 1978. In a last attempt at a solution, the Commission had amended this proposal to 33 u.a. per 100 kg for the period from 1 May 1977 up to and including 31 March 1978. The Council decision was taken with the tacit agreement that there was no obligation to grant butter subsidies after 31 March 1978. If these subsidies are continued next year, they have to be degressive and completely disappear by the end of 1978.

Lastly, the ceiling for existing national butter subsidy regulations with part-contributions from the European Agricultural Guidance and Guarantee Fund is raised from 50 to 57 u.a. per 100 kg. As Parliament will know, the only country to make use of this facility is Ireland.

The effects of these two changes on the budget are, on a yearly basis, 12.5 million u.a. for the increase in the butter subsidy to the United Kingdom and 1 million u.a. for the contribution to the Irish butter subsidy.

Mr President, I believe that this adequately sums up the situation.

7. Tasks and operation of the European Social Fund

President. — The next item is the report (Doc. 84/77) by Mr Adams on behalf of the Committee on Social Affairs, Employment and Education on the

communication from the Commission of the European Community to the Council on the review of the rules governing the tasks and operation of the European Social Fund.

I call Mr Adams.

Mr Adams, rapporteur. — (D) Mr President, ladies and gentlemen, under Article 11 of the Council Decision of 1 February 1971 on the reform of the European Social Fund, the effects of the reforms are to be reviewed after 5 years; at the same time, the Commission of the European Communities is called on to deliver its opinion, by 1 May 1977, on any difficulties which may by then have emerged in the fund's operation and to submit proposals for functional improvements. The Commission has fulfilled this obligation by submitting a communication to the Council on the review of the rules governing the tasks and operations of the European Social Fund. I would like to take this opportunity to express the committee's thanks to Mr Vredeling for having discussed this reform of the Social Fund with the Committee on Social Affairs immediately on taking office.

In my view, the new Commission's proposals for the improvement of the efficiency of the European Social Fund and the active involvement of this Parliament have more than ordinary significance for many of our people in the Community and for the Community itself.

Mr President, ladies and gentlemen, 1977 is, after all, the year in which we are preparing for general direct elections to the European Parliament. The Community must therefore face up to the question of how it and its institutions are going to meet the real needs of its citizens. There is no point in issuing high-sounding statements, balancing out the conflicting interests of the member governments and meeting the demands of whichever pressure group happens to be the strongest at the time. We in the European Parliament must make it clear to the citizen that the Community is the place where his daily life and his future are steered along the road to satisfaction. This brings us to the field of employment and social order which is central to our concerns. With this reform, the European Social Fund, whose primary purpose up to now has been to provide aid for vocational training and retraining, takes a step in the right direction, namely towards a more active and direct contribution to the creation and maintenance of jobs.

In this way it becomes an instrument of employment policy and will help to supply the economy with skilled manpower, though in altered conditions, by its support for vocational training, further training and retraining. However, your Committee for Social Affairs, Employment and Education stresses that, to implement the Commission's proposals, which it supports, there has to be a qualitative improvement in

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the possibilities open to the Fund. This applies equally to its administrative procedures, management staff and financial resources.

Your committee therefore also agrees with the Commission when the latter emphasizes that to enable fuller use to be made of the European Social Fund in the solution of employment problems, it must not in future be confined to merely a few areas of activity. It must rather develop, as we have proposed in paragraph 3 of the motion for a resolution, into a global and effective means of bringing about structural changes. With this in mind, it is vital that the Regional Fund decided upon by the Paris Summit Conference, the relevant measures financed by the Agricultural Fund, the Investment Bank and the Social Fund should be coordinated under a common policy. However, to achieve effective coordination and so contribute towards shaping a forward-looking policy, there must be a significant improvement on the basis of comparable data. The Committee on Social Affairs, Employment and Education has referred to this matter repeatedly, principally because the different working methods of the national administrations may favourably or adversely influence the effectiveness of the fund and hence help to maintain or create imbalances.

Mr President, ladies and gentlemen, I would now like to refer briefly to what your committee considers are the principal technical improvements proposed, but, for further information, I would refer you to the committee's report and the detailed Commission document. The changes envisaged relate firstly to a shift in the distribution of aid under Articles 4 and 5 and the higher weighting to be given to the regional and sectoral significance of the measures supported by the fund, secondly to the introduction of different rates of intervention by the fund on the basis of regional, sectoral and general economic policy factors and thirdly to a more flexible system for administering the fund.

Mr President, ladies and gentlemen, the objective of a forward-looking European social policy must be to secure social security for those who have become or are likely to become victims of structural economic change. Workers must be enabled to adjust in good time to changes in economic structures. For this there must be a joint — I repeat a joint — economic, financial and social policy effort. In this context we have not singled out specific groups that are at risk, such as migrant workers, old people in employment or the young. What mattered to us was the fact that the problem applies to all the five and a half million workless currently registered in the Community.

Mr President, ladies and gentlemen, I would like to contradict most emphatically the view of social policy as a kind of fire brigade intended purely to correct the distortions generated by unsuitable economic policy

measures and here let me refer you, in particular, to paragraph 3 of our motion for a resolution. In our view, social justice and social security are equally imperative for both social and economic policy. Admittedly, a successful economic policy will create the decisive conditions for social justice but the harmonious development of our industrial society can be achieved only through the perfect dovetailing of social and economic policy objectives. At the moment, unfortunately, the European Community can hardly be said to have a successful economic policy.

It is my opinion that the tasks of economic policy for the future are similar in all nine Member States: namely that rates of inflation and inflationary expectations must be further reduced in order to achieve greater convergence between cost and price trends in the Community. The process of adaptation towards a better balance of payments at European an international level must finally begin. The propensity to invest among business firms and the short-term driving forces of recovery need to be intensified, as Mr Ortolí has already indicated, but above all, as I see it, we need to reduce unemployment through an employment policy taking due account, in the medium term, of structural changes in the European national economies. We shall not be able to defeat unemployment using the resources of classic economic and social policy because, in the Community, these instruments are primarily designed purely to make the consequences of unemployment bearable. Instead what we urgently need, Mr President, is a consistent policy for combatting unemployment.

Our objectives must be: economic growth, full employment and fair shares for all. The extremely unsatisfactory situation on the employment market in the Member States compels us to exploit the opportunities of economic and social change in the Community and to avoid its dangers by means of a resolute growth policy coupled with a stepped-up, active sectoral structural policy. It is my opinion, Mr President, that if we fail to halt the present course of development, Europe and with it the European Community will not, in the long term, be able to escape economic collapse.

The Community must work with indefatigable resolution and energy to be establish full employment and then safeguard it. Only if the Commission and the member governments really learn from the mistakes of the past will they be able to avoid even worse unemployment with a further shrinkage of economic growth and escalating inflation. All short and long-term measures of economic policy, sectoral structural policy and social policy have to be measured by the yardstick of whether they will defeat unemployment now and in the long term. We have to create jobs by forward-looking economic policy. We must secure social peace by social equality and encourage Member

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States to guarantee social security by developing their social systems.

With this proposal of the Commission, Mr President and ladies and gentlemen, I believe we are taking a step, albeit a modest one, in the right direction and I also think we should take this opportunity to remind the Member States of their duties as well.

In conclusion, I would like to draw your attention to the fact that the drafting committee for the Commission's proposal was the Committee on Social Affairs, for which I acted as rapporteur, and that the Committee on Regional Policy and the Committee on Budgets were also concerned. The Committee on Regional Policy gave the document its approval and the Committee on Budgets has, correctly in my view, referred to those matters that should be looked at from the Committee on Budgets' viewpoint. We accept the views it has expressed.

President. — I call Mr Lange to introduce the opinion of the Committee on Budgets.

Mr Lange, chairman of the Committee on Budgets. — (D) Mr President, ladies and gentlemen, I am deputizing for Mr Caro, rapporteur for the Committee on Budgets.

Let me first of all say that I support unreservedly the policy considerations and conclusions which Mr Adams has presented on behalf of the Committee on Social Affairs. I might feel tempted — though I shall resist the temptation — to add a couple of economic policy comments but I feel that after what Mr Adams has said this is not necessary because we are in total agreement.

Now, Mr President and ladies and gentlemen, we are dealing with a further reform of the Social Fund, one of several funds we have in the Community. In its opinion, the Committee on Budgets has pointed out that this term 'fund' and funds in general are a somewhat problematic subject if we consider budgetary truth and clarity and if we remember the difficulties that have arisen in 'transfrontier traffic' with regard to various rules, including those of the Social Fund and specifically Articles 4 and 5. Mr Adams has said, and rightly in my view, that with the steps that the Commission is now proposing, we shall go some way to overcoming these difficulties but that at the same time the specific character of a fund is disappearing. However, allow me to point out, ladies and gentlemen, that the wording in the relevant items of the budget is still 'New Social Fund, Article 4; New Social Fund, Article 5' so we are still in the straight-jacket that we really do not want. Now this week, on Tuesday if I rightly remember, we discussed the guidelines for the 1978 budget and, in this connection, Mr Shaw made the point — he did this on behalf of the Committee on Budgets and Parliament approved —

that this Parliament must be concerned to have clearly defined policy objectives which, if they imply the need for financial resources, must be appropriately represented in the budget for the relevant budgetary year, and that these clearly-defined policy objectives must be recorded on the explanatory side of the budget and then we can help ourselves to what is available in the shape of funds — Social Fund or Regional Fund or Development Fund or Agricultural Fund, Guidance and Guarantee Sections. Then we can draw up a budget that really meets the requirements of budgetary truth and clarity and in which all the policy objectives of our European Communities will be set down.

My request in this connection, Mr President, addressed to the representative of the Commission, is that this question of the abolition of the fund and the clear definition of policy objectives, should be studied, in conjunction with the formulation of the budget, so that we may take a step forward in the direction of budgetary truth and clarity perhaps even for financial year 1978.

One thing that I would like to state with full emphasis, because I am aware of the concern of many colleagues that the Committee on Budgets might develop into the guardian of all the other committees. Ladies and gentlemen, this will not happen. The Committee on Budgets has only *one* task, namely to secure, or to help secure and expand, the responsibilities of this Parliament in the fields of budgetary policy and budgetary law. It must see that, through certain decisions, this Parliament loses no budgetary powers in relation to the Council and also the Commission — although the latter problem is less critical because it is hardly probable — and to that extent, ladies and gentlemen, the Committee on Budgets will perform its policy task. It will be careful, Mr Adams, not to want to perform social tasks or any other kind of policy tasks.

Let me point out however, ladies and gentlemen, that everything that has something to do with financial consequences and policy objectives automatically, of course, concerns the Committee on Budgets and that members of other committees should, therefore, give a little more thought when the Committee on Budgets, for instance, says no to something that someone holds dear or thinks important because, among other things, the necessary information and clarification with regard to the financial consequences are not available or these financial consequences are not yet measurable. Only to that extent, ladies and gentlemen, does the Committee on Budgets have to make its presence felt, among other things to preserve the rights of this Parliament. So let there be no fears that it would like to develop into another committee's guardian or, as someone once said, a supercommittee. This will not be the case.

Lange

The chairman of the Political Affairs Committee thinks he has a bone to pick with the Committee on Budgets. Now anyone who takes budgetary responsibilities on himself will come into conflict with the Committee on Budgets even if he does so unknowingly. I do not say that this happens out of illwill and so there is no further difficulty, Mr Bertrand, in saying this quite clearly once again. You saw this yesterday. We had been dealing with information policy from Monday until yesterday but it all worked out more or less all right even if it gave some of us a headache. But here I would like to urge the Commission once again to treat this comment of the Committee on Budgets seriously and really have the matter studied in the Commission. On that proviso, and bearing in mind what Mr Adams has said, the amendment tabled by Mr Caro on behalf of the Committee on Budgets loses its purpose. On behalf of the Committee on Budgets I therefore withdraw this proposed amendment on condition, however, that we are all prepared to study together this question that the Committee on Budgets considers to be so important with regard to budgetary transparency and truth and clarity of policy.

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

Mr Kavanagh. — Mr President, I would like to congratulate my comrade and colleague, Rudy Adams, for his excellent work in producing this report. I should also like to take this opportunity to thank the Commission for having presented this review of the Social Fund within the 5-year limit set down in the original new Social Fund in 1971.

When I spoke to this House on 21 April last on the Caro report on the operation of the ESF for 1975, I said that we would have an opportunity of discussing the review of the rules of the ESF when we debated the Adams report and this would present us with an opportunity to range more comprehensively over the problems created in the Community by the depression.

The most important problem facing the Member States of this Community remains unemployment, which is at a higher level than has been endured by any country in the Community since its establishment two decades ago. Over 5 million people are out of work, with the accompanying hardship for the families involved. Millions more are on short time. That, my colleagues, is the background to the report which Mr Adams is presenting today. The present crisis has highlighted the inadequacy and, indeed, the irrelevance of the funds available for dealing with unemployment, including the Social Fund. We now expect a period of growth to commence and we should not allow the present downturn to sap our idealism in seeking to create a better society for all the peoples of Europe.

The present European Social Fund was conceived during the period of growth of the '60s with the emphasis on training rather than unemployment as such. It follows therefore that the fund has little real impact on unemployment in the short term. The Regional Fund of course has a more direct impact on the creation of jobs, but even that fund is capital-orientated to a very large extent. In revising the rules of this fund I believe our main objects should, however, be to ensure that the limited resources are channelled to the areas of greatest need. I therefore welcome the introduction of differential rates of assistance in certain areas which I called for in my report last year.

I would like to mention one further matter which might be examined in connection with the fund's revision. The original social action programme proposed by the Commission listed as an objective for the fund, the establishment of Community-aided schemes of income support during retraining and the subsequent job search. This was not supported by the Council of Ministers at the time of the adoption of the social action programme, but I believe this possibility should be re-examined, possibly in the framework of actions at the 35 % rate.

I have spoken so far about the problems of great importance for those in the work force who are affected by the present world-wide recession. The Social Fund, however, makes provision for Community assistance to those whose prospects of employment and of a full and rewarding life are affected by various physical or mental handicaps. The development in all the Member States of training schemes which cater for the needs of handicapped persons, and help them to find and to hold jobs on the open market, is something which must be regarded as most important if our Community social policies are to be genuinely social in content. It is essential that this element in the working of the fund should continue to receive due priority. However, the Commission have proposed that in future aid for training the handicapped for employment should be available only under Article 4, and in a much more restricted form. The effect of this would be to remove the handicapped from the privileged position which they have enjoyed since 1971 under Article 5. If the Commission proposal on this matter is adopted, it would make it extremely difficult for certain regions to obtain help from the fund for training the handicapped for employment. I refer of course to regions such as Ireland, where we are still building up our normal training facilities and where it is not possible to devote scarcest financial resources to the demonstration-type project to which Article 4 applies. I am concerned that confining aid for the handicapped to Article 4 will simply mean that money previously available to less-favoured regions under Article 5, to help meet the cost of basic training, will in future be

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diverted to the more wealthy States who can afford to engage in such demonstration projects. I hope the Commissioner will be able to assure us that this is not the case.

I am sure that my colleagues here today will join with me in saying to the Commission that it is not our wish that the worthy efforts being made by the Commission to aid unemployment in some sectors should operate so as to lessen the opportunities available for those who have the double misfortune of being both unemployed and handicapped. While on the subject of the handicapped I would like to ask the Commission if in fact the Commission has yet reported to the Council on the subject of sheltered workshops, which it undertook to do some two years ago. I raised this question last year when I asked for special consideration to be given to this particularly disadvantaged group who work in sheltered workshops. We need to give our attention in all the relevant institutions of the Community to financing of social policy activities for the benefit of less favoured groups who constitute part of the work-force but who, most of all, should be seen as citizens of the Community who can and do suffer from the impact of its economic performance.

Finally, Mr President, the proposal produced by the Commission should remove some of the problems which have become apparent in the operation of the fund. We can therefore be grateful to the Commission for their work. It must, however, be reiterated that in terms of overall resources the fund remains inadequate. If social policy is to become an expression of Community solidarity and is to enjoy full credibility among the peoples of the Member States, the fund must be substantially increased. May I take one example to illustrate this inadequacy over the last few years: in respect of training of young persons, the applications for assistance outweigh the funds and resources available by at least 10-fold.

My words here today are directed particularly to the Council. I would ask those representatives of the Council who are present to take heed. It is absurd that the Council of Social Affairs Ministers continue to approve new areas of fund intervention while at the same time the Council of Finance Ministers refuses to vote the funds needed to finance those new extensions. Where the funds available to help reduce social inequalities in the Community are inadequate, it is essential that these funds be coordinated so that together they make the greatest contribution possible to providing all people with a good and improving standard of living. In this connection I would ask the Commission to ensure that the actions of the Investment Bank, the Agricultural Fund, the Regional Fund and the Social Fund are all aimed at achieving the maximum benefit in the social field.

As spokesman for the Socialist Group I can say that the group whole-heartedly supports Mr Adams's report.

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

Mr van der Gun. — *(NL)* Mr President, the Commission's proposal is important because it introduces major changes regarding the operation of the European Social Fund. I would not like to give the impression that, in the past, the necessary activities have not been pursued; on the contrary. But we have to admit that the knowledge of these activities is too often confined to the 'insiders'. When we see in the Commission's explanatory statement that 2 million people have already been able to benefit from the possibilities offered by the European Social Fund — whereby occupational and geographical mobility have both become far greater — then we really wonder whether our information services should not pay more attention to facts and figures of this kind so that the populations of the Member States are made a little more aware of what is done in this field.

In my opinion, the modifications now proposed by the Commission are more drastic and of a more fundamental and structural nature than the 1971 changes; in itself this is not so difficult to explain. Unfortunately, however, the economic situation has not only changed but has become far more unfavourable than in 1971 and it is obvious that this is reflected in the modifications now proposed by the Commission. Three points come out very strongly in these changes. Firstly they imply a better adjustment of the fund's activities to the demands of the labour market. Secondly we see a more efficient and flexible performance of these activities. And lastly — but I shall be coming back to this in a moment because this point is certainly not the least important — the possibility is brought up of the introduction of new forms of aid and new activities.

On the first point, better adjustment to the labour market, we have to note that the distinction between Article 4 projects and Article 5 projects is maintained. The Commission says that this was the result of a compromise that was reached at the time. We are ready to follow this reasoning and to continue with the distinction as it prevailed in the past. The Commission rightly notes, in this connection, that the main weight of activities will be displaced to some extent towards Article 4 projects. In this connection, it is proposed, among other things, that the condition that at least 50 % of available resources should go to Article 5 projects should be dropped. This gives greater scope to give Article 4 projects the necessary attention and, in our view, this is indeed a right decision. Neither do we agree with the stand taken by a number of Members who feel that this step will mean, in practice, less attention being given to the regions. It ought really to be said that the opposite is the case because the Commission rightly points out that the shift does not mean merely that the necessary attention will be paid to regional aspects within the framework of Article 4; regional aspects will continue to be

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given the necessary consideration in relation to Article 5 as well. On top of this, the regional aspect will be further reinforced by the fact that the Commission proposes to grant a subsidy not of 50 but 65 % to certain regions to be determined by the Council on a proposal from the Commission. If these proposals are seen in conjunction with the Commission's proposal for greater coordination between the various instruments and funds in this field, then I believe that we may rightly conclude that the regional element emerges strengthened rather than weakened from these reform proposals, and that is a development which has our hearty support particularly on the grounds of the solidarity that we in Europe, according to our way of thinking, should be exemplifying.

What we find to be still a problem is the fact that, in practice, the switching of money from Article 5 to Article 4 projects is the same as it always was, in the sense that the approval of the Council of Ministers is necessary at a certain point in time. We would have preferred a budget item combining both Article 4 and Article 5 projects but over which the Commission would have some freedom of control so as to be able to allocate money on its own judgement to suit the needs of a given moment. In this way we could forestall the problem that has occurred repeatedly in the past, namely that a number of projects had to be turned down because the kitty for them was empty whilst there was still money at a certain moment for other projects. With the rules of the fund as they then were, this situation, in practice, led to money for the Social Fund being lost at least for 5 years. This is why we once again urge the Commission to give further consideration to the advisability of creating the necessary possibility for the shift from 5 to 4 or from 4 to 5 at any given moment, depending on requirements, without the need for concrete approval on the part of the Council of Ministers.

The second point, namely greater effectiveness and efficiency and greater flexibility with regard to the operation of the fund, we support wholeheartedly. The governments of the Member States have certainly complained about this in the past; they found that it took all too long. But the Commission is also right to appeal to the governments of the Member States themselves, because the new system will be able to operate properly only if the governments of the Member States are also prepared to provide the contribution and cooperation that is needed from them.

And now the possibility of a new form of aid. As I have already said, this is not, in our view, the least important of the Commission's proposals. We are very pleased that possibilities are to be provided of aid for maintenance and for the creation of jobs and that grants are to be made whereby incomes may be maintained, at least temporarily, on loss of employment, short-time working or inadequate unemployment benefit regulations.

In this way the general problems we are confronted with in Europe at the moment can be far better dealt with. We can understand that the Commission is not in a position to produce concrete measures on this subject in the short term but, however this may be, it has had the courage to introduce a new activity better tailored to present needs and those that are likely to arise. It is indeed to be feared that we shall have to struggle with these problems for many years yet. For this reason too, we are gratified at the European Commission's initiative because we see this as a first and truly fundamental step in the growth of the European Social Fund into an institution for a more general fight against unemployment that will also work on finding solutions for structural problems.

The consequence of these new activities, of course, could well be that the financial contributions will have to be considerably increased. We are ready to accept these consequences and consider that they should be accepted by everyone, because those who are not prepared to accept them would be well advised not to expect too much from the new activities of the fund.

Another point on which I would like to dwell is the fact that in the Commission's proposals some attention is also given to the problems of the relations between the European Parliament and the Council in the deciding phase. This is an important point and the Committee on Social Affairs has not — mainly for lack of time — given it the attention that in our view it certainly merits in the motion for a resolution. This is a highly important matter of principle. This is why we propose, in an amendment tabled, among others, by our Socialist colleagues, that this should be included in the resolution.

Then there is another important point in this connection, namely that we are doing away with the five-year period, or at least that is what we have understood. At all events, the Commission proposes that the possibility be created for a transitional modification to the basic resolution and that new tasks be entrusted to it and it is our view that this is completely in line with the requirements of the present situation as regards employment. In all the Western democracies the solution of this problem is a priority. For this reason the operation of the European Social Fund should also be flexible in sense that it should not be automatically tied to a given situation and structure for five years. We are therefore grateful to the Commission for coming forward with these radical proposals so quickly after its appointment. The speed at which things went was too fast for our comfort and also forced the pace to such an extent in the Committee on Social Affairs that, to some extent, we ran out of time.

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The thanks of the Christian-Democratic Group naturally go, in the first instance, to the Commission for its proposals but also to Mr Adams who had to produce the commentary on these radical proposals under extraordinarily difficult conditions. He managed to do this within the time and has produced a report of high quality, enabling the matter to be put on Parliament's agenda within the time limit set by the European Commission. For this, Mr Adams, our renewed and heartfelt thanks.

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

Mr Cifarelli. — (I) Mr President, I would like to join both in the thanks to Mr Adams, the rapporteur, and in the appreciation that we have just heard so authoritatively expressed of the excellence of the work now being done and the difficulties associated with it.

This problem of the Social Fund, which could be numbered among the traditionally important but not most significant debates in the life of the Community, has become, because of the circumstances that have arisen and forced themselves on our attention, the number one problem that must be solved urgently so that the Community may avoid repercussions tending to break it up and at the same time because not only the constitutional policy significance but also the socio-economic and, I would say, civil importance of this great undertaking that we are embarked upon is clear to every citizen of the Community.

Creating European union among the nine nations making up the Community, building it without warfare, usurpation of power or the spilling of blood is an extremely exceptional historic event. But clearly this edifice cannot stand on shifting sand or soft ground: it has to become a real structure.

With next year's European elections in view, we often wonder how to inform the public and educate them to see in Europe the reality of tomorrow. Here, the operative principle is *ex opere operato*, in other words in achievements lies the demonstration of the existence and importance of the task to which one is called: from Europe's achievements will spring consensus for Europe.

What better basis for this than all the achievements connected with the Social Fund? Here I would make the point that what was envisaged in Article 3 of the Rome Treaty and which is slowly being put into effect is rightly under critical examination today in the presence of a situation featuring 5 million workless and posing a whole series of questions regarding the problem of young people in the nine Member States. The importance of the fact that the heads of State and government, at their Downing Street meeting, should have given priority to unemployment among the

young and the problem of the first job will not, I am sure, have escaped anyone.

But this is only one part, although in my view the most sensitive and most worrying part, of the complex problem of unemployment and the social crisis as a whole.

At this point I would like to refer to an event from the history of my country. When Italy was unified a hundred years ago there were backward and underdeveloped areas like the Kingdom of the two Sicilies. There were others that were more advanced and closer to Europe such as Liguria, Lombardy and Piedmont. Well, our forefathers believed that if they put all these areas together and provided free movement of goods and people and the same civil, penal and financial law, prosperity would spread and development become general. It isn't true! If an advanced area is brought into contact with an underdeveloped area, the poorer one tends to get poorer still and the other to grow, even beyond its physiological boundaries.

This is not only an Italian experience. In my view, two conclusions can be drawn from it: the first is that social action and regional action are inseparable.

Today, as the result of the development of the Community, we have two funds: the Social Fund and the Regional Fund. The activities of these funds — including, in addition, the Guidance and Guarantee Fund — have to be coordinated, otherwise we might behave like physicians treating the human body, one specializing in arms and disregarding the rest, and the other treating feet only and likewise ignoring anything else.

Now, referring again to the facts of life in Italy, when it was a question of obtaining certain grants or advantages, the area that was more alive, more sensitive, better informed and more capable of organizing itself, came up with its own projects, put forward its own applications and used up the funds before the others were even aware that they too could use them. The Italian Government provided funds for building schools; the mayors of the most advanced boroughs, like Milan or Florence, immediately applied to use the funds, whereas those of small places in the southern Apennines or in Sicily did not even know they existed.

The same is happening to the Social Fund. If we do not adopt clearly-defined selection criteria, and if the Commission does not add to its proposals practical possibilities for drawing distinctions between the various applications, intervening at both strategic and tactical levels to overcome difficulties, create new jobs, facilitate the redeployment of manpower and the employment of young people and to offer prospects of work to the young, the resources of the Social Fund, though far from being vast, could well be wasted.

Cifarelli

Thus the criterion to which we Liberals attach particular importance is that of selectivity or, in other words, coordination.

I should add, ladies and gentlemen, that we consider that these new rules should be allowed a certain lifetime. We cannot innovate every year. Nowadays, Member States' budgets themselves, in all fields, are ceasing to be annual and to be longer-term. It is not possible to make a programme for one year only. It is not possible — we believe — to organize the distribution of the finance of individual States within a single year; planning has to go farther than that.

I assume that everyone — from Liberals to Marxists — are convinced of the need, with economies as they are today, for planning under democratic control, with a plurality of political and union forces, whereas in some countries this does not happen. But that does not mean that planning and programming should not be governed by objective criteria and an overall view in which account must clearly be taken of regions that are in difficulty and sectors having difficulty as well.

Yesterday evening I heard many Members from many countries in the Community — and particularly from countries that up to then were highly advanced industrially — complaining at the inadequacy of the multi-fibre agreement and pointing out the difficulties of the textile industries in various Community countries. Well, if I had been a Member of Parliament from the north of Italy I too would have added my voice to those of my colleagues who raised these problems.

But it is impossible to proceed without overall assessments. If we were to give the Social Fund the sole task of keeping the textile industry on its feet wherever it is and whatever its state, I think we would be guilty of acting unilaterally and we would perhaps be adopting an anachronistic position in relation to the forces of history requiring that certain sectors of industry have to be transferred to other countries in a kind of distribution of international effort, but controlling any deviations, abuses and above all the dumping of exploited labour which is no less dangerous and no less to be repudiated than the dumping of concessions granted in violation of the Community rules or customs agreements.

With these comments, Mr President, I think I have explained the basic terms in which we express our agreement with Mr Adam's report.

We say — and this is the last comment that nevertheless seems to me to be the basic one — that just as you cannot make war without arms, just as you cannot embark on an undertaking without having the necessary resources, in the same way all Member States and the Community as a whole have to make provision for adequate expenditure for this Social Fund.

In my view it is in this field as in that — and perhaps to a greater extent — of regional policy that the effec-

tive solidarity among the nine countries, the nine nations, the nine regions of the European union that is now being built can best express itself. It is clear that, this being an internal problem, it is easier to cope with that osmosis that is necessary to promote prosperity and create advantages and sounder economic conditions. You are familiar with the argument in which some Community countries are opposed to others. We Italians, for example, together with our British colleagues would like countries like Germany or the Benelux countries to take certain measures to accelerate economic development that would draw other countries in its wake. The reply given to us by those with economic responsibility in those Community countries is that they are not lightly disposed to bring in measures that could have inflationary effects. Inflation is a cancer that, once set in, is extremely difficult to bring under control before it destroys the organism.

It is clear, however, that since these social needs are evident in every single country, asking not purely and simply for economic and general policy measures but for physical support in budget appropriations, loan commitments and contributions to the Community budget means asking for something that is more legitimate, more 'Community' more modern and, I would say, more logical and easier to defend in the face of public opinion in each single country and in the Community in general.

It is on the basis of this assessment that we consider that this struggle for the reform, improvement and better organization of the Social Fund will help greatly to unite the Community and in this struggle we consider that all the democratic forces of the Community should draw their inspiration from the guidelines given by the Community in its institutions and above all those declared and laid down by this Parliament.

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

Mr Bouquerel. — (*F*) Mr President, ladies and gentlemen, I too would first like to join in the congratulations and thanks addressed to Mr Adams for the very full report he has submitted to us on behalf of the Committee on Social Affairs, Employment and Education.

In this discussion, I feel that it is necessary to recall that, since the policy compromise of 1971, the European Social Fund has become a vital Community instrument in the employment and training field. The volume and variety of its activities unquestionably imply that its operation should be reviewed five years after it was first launched. On this subject, on behalf of the Group of European Progressive Democrats, I would like to make three observations.

Bouquere

First observation. The 1971 decision was based on the distinction drawn between two types of activity, firstly those under Article 5 serving mainly to help eliminate structural unemployment, particularly in the most disadvantaged regions and secondly the others, under Article 4, intended to deal with the consequences of certain Community policies or problems on the Community scale. In this way the twofold concern for solidarity with regard to the most disadvantaged areas from the standpoint of employment and experimentation with Community training and employment actions adapted to suit the situation in specific sectors or populations was given a balanced form.

This is why the Group of European Progressive Democrats would like this compromise and distinction to be maintained since, in our view, they enable the fund to be operated in accordance with these tasks. It is along these lines, incidentally, by means of a series of specific decisions of which the most recent relates to young people looking for their first job, that the spectrum of our means of intervention at Community level has widened.

Second observation. One may well wonder about the master criterion that should guide intervention by the Social Fund and regret a certain dispersal in the activities encouraged in the recent past. The Commission's proposal gives priority to the regional criterion, which is tantamount to introducing a general priority in the choice of applications, the scaling of intervention rates and the balance between Articles 4 and 5 in favour of the most disadvantaged regions. Whilst not discounting the importance of this kind of thinking we feel that there are grounds for questioning the value of systematizing this approach. Regional development and vocational training are not always indissolubly linked. In some cases even the contrary is true. It seems to us that it would be more functional and more in conformity both with the fund's objectives and with such elements of Community employment policy as we have, to aim at some concentration in the fund's activity at two levels.

Firstly there should be a more definite link with employment in the programmes that are submitted, giving a more clearcut priority, for example, to certain categories or economic sector: young people, women, the textile industry, etc. Next, the choice should be based on the quality of the programmes proposed, particularly with regard to the training offered. The point is that regional policy is only one respect of employment policy. The European Regional Development Fund was instituted after the Social Fund was set up. The resources of the European Social Fund are limited. This is why it is better to do what can and should be done than to eventually transform the fund into a supplementary regional aid instrument. I therefore think that as regards any new missions that might be given to the European Social Fund we should

proceed with great caution in view of the vague nature of the proposals that are made on this point at the moment and the financial resources available to the Fund in relation to aid whose cost would be extremely heavy.

Third observation. The attitude of our group towards the administrative and financial measures to be applied in order to improve the administration of the Fund is marked by the same pragmatism. For us, moreover, it is not just a matter of personnel. We fully share the judgment of the Commission and most Member States on the recent operation of the fund and we are therefore very much in favour of accelerating the payment procedures for approved applications. Similarly, we would like to see a simplification of the aid system without, however, its definition disappearing from the rules of application. All this, in our view, is aimed in the right direction.

But it is not possible for us to agree with a compulsory lump sum system, which the experts, in their first studies, have shown to be complex and even impracticable, nor — and this is more serious still — with the institution of a system of applications grouped by Member States and negotiated with the Commission before consideration by the Fund Committee. Our first reason is that this would mean an end to any real competition between applications, our second that the Fund Committee and the social partners, more particularly, would be robbed of any real power of evaluating the projects submitted to the Social Fund and our last that the Member States with the most decentralized training and employment structures would be penalized and that a quota system by States would implicitly be instituted, which was never the intention of the Social Fund and would, moreover, take all the Community character away from the political followed in this sector which is precisely where we are attempting to move towards Community action.

That, Mr President and ladies and gentlemen, is our group's opinion on the lines along which the reform of the European Social Fund should be considered.

President. — I call Mrs Kellett-Bowman to speak on behalf of the European Conservative Group.

Mrs Kellett-Bowman. — Mr President, may I first of all say to the Commissioner that, having crossed swords with him on a number of occasions, it is a particular pleasure today to be able to congratulate him on this excellent revision of the Social Fund, achieved with such expedition. I should also, of course, like to congratulate Mr Adams on getting through a report in almost record time as far as this Parliament is concerned.

Mr President, the activities of the European Community become known to the majority of people in the Nine in two ways: through harmonization proposals, which receive much publicity and some laughter, and

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whose benefits are not always immediately apparent, and through the Community's common policies and funds. The common policies, as we know all too well, at times unfortunately offer the enemies of the Community plenty of ammunition to use against it. However the Community's funds — Social and Regional — which form part of those policies offer us very important opportunities indeed to show how Europe can benefit individuals in each of our member countries. In the run-up to direct elections I would submit that this is of vital importance. The most important criteria for aid from European Community funds are that should be effective and recognizable. I believe, as Mr Adams has indicated, that the new rules for the fund should help towards both these aims, although I have some observations to make on how the Commission has approached the problem.

There are two main parts to the Commission's review. The first deals with the modification of the rules under which aid is granted under Articles 4 and 5. I particularly welcome the decision to introduce a variable rate of intervention from 50 % to 65 %, but I cannot quite understand why the step is so small. Would it not be possible to vary the rate further, to perhaps 90 % if necessary, in the worst-hit regions? The need for financial support of the projects submitted is bound to vary enormous, and the countries with the worst-hit regions very often cannot afford their share, though they need it most.

I believe that I am not alone in saying that I find the maintenance of the distinction between the two Articles — 4 and 5 — confusing and possibly unnecessary from what I have heard today, most groups still appear to support the distinction with varying degrees of enthusiasm. I fully accept the Commission's statement in paragraph 3 of the First Part that the distinction was originally necessitated by political considerations. Some, of course, we wanted the fund to accompany Community policies and some wanted it to constitute an independent aid to Member States to make up their permanent structural deficits. But it now seems that in both Articles 4 and 5 the Commission is placing stress on aid to the regions and this I fully support. Since this is the case, I cannot see any point in maintaining the difference. Article 5 always was concerned with the creation of employment and training schemes in poorer regions, but now we find that the Article 4 interventions will also be angled towards regional aspects of schemes to aid specific sectors to the economy such as, for example, textiles which we were discussing yesterday. The continued division, therefore, seems to me something of an artificial one and in support of this view I can quote the opinion of a previous director-general of Social Affairs at the Commission who wrote in a recent *New Federalist* paper that the division between Article 4 and Article 5 is outmoded. But at least if the distinction is

to be maintained, my group are glad that the division will henceforth be more flexible and the allocation of resources between Articles 4 and 5 will be settled annually in the course of normal budgetary procedure.

Now I can see the logic discontinuing the current arrangements for helping the disabled under Article 5 and instead expanding the Article 4 scheme for them, since clearly, alas, the disabled are not confined to the hard-hit regions but occur all over the Community. I hope very much that this change will not result in a reduction of aid to the handicapped and I feel that this point, Mr Commissioner, wants watching with particular care.

I believe very strongly too that some handicapped people can never take their place in open employment. In this I slightly disagree with Mr Kavanagh. And I think that those who cannot take their place in open employment should nevertheless be enabled to obtain sheltered employment in sheltered workshops. This, of course, will require a change in the rules. It is a point I have brought up on many occasions and I very much hope that somehow we can squeeze it in this time.

I welcome the Commission proposal to make arrangements under Article 5 to assist operations designed to help the self-employed and to facilitate the employment of women, and in particular to sponsor courses to enable women over 35 to acquire a qualification or a skill or to update a qualification or a skill or to update a qualification or skill acquired earlier. This is particularly vital in view of the latest figures for female unemployment which show that, although there was a reduction of male unemployment compared with a year ago, that for women increased by no less than 13 %.

I am glad the Commission intends to recommend extension of the assistance given to textile workers beyond the July deadline in view of the desperate state of the industry. I am concerned that, as time goes on, the social aspect of the Social Fund is becoming submerged by the overwhelming problem of unemployment. We ourselves in the United Kingdom last year had the highest totals of young unemployment in the Community, both in terms of actual numbers and as a percentage of total unemployed: no less than 615 000 young unemployed persons compared with only 174 000 in 1974 and almost 50 % more than Italy, the next biggest total. All too many of our governments' job creation schemes have been mere palliatives, utterly devoid of any long-term value or training content, such as the scheme to feed ants affected by the drought, which really the mind boggles at. This money, allied to EEC money, could surely be far better used to provide the training in skills which will be needed in the national economies once the long-awaited upturn comes. It is only by having a sufficient number of properly trained

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people that we can avoid the bottlenecks and overheating which so often bring expansion to a grinding and very expensive halt.

The second part of the Commission proposals relates to some much-needed simplification of the procedures under which aid is approved. It has long been apparent that the inordinate delays before money was received by the applicants was having a serious detrimental effect on applications. Clearly, if money was needed, it was needed at the time when the project was being got off the ground, and the new proposal to make an advance payment of 30 % when half the operation has been completed, is a big improvement and greatly welcomed by my group.

We also welcome the decision to calculate expenditure on the basis of unit costs instead of actual costs, which will be a great incentive to the efficient planning and execution of the projects. I am not, however, happy about the suggestion for grouping applications. I recognize the bureaucratic convenience of group applications, but I would like to draw the attention of the Commission to one simple fact: the European Community will never win the hearts and minds of the people of Europe if it continues to conceal the good it does for them. Additionality plus a policy of grouping applications will increase the difficulty of identifying the projects and areas where Community funds have made a difference to the lives of ordinary citizens. I welcome very much, as I have already said, the fact that advantages will be granted as soon as operations have begun, and that the Commission will check up on the effectiveness of aids, but I hope too, that it will be stressed to the Community's information offices in all the Member States that, whenever Community aid is obtained for any project this fact is publicized as effectively as possible.

Finally, and without much of a fanfare, the Commission, as Mr Adams has noted, has built into the new rules the possibility that interventions at the rate of 35 % may take place independently of the regions where operations are carried out, in order to support better employment conditions and the creation and maintenance of employment. I am surprised to find that this idea has been criticized this morning. The Commission expands upon these proposals in paragraph 58.

Now since the ECSC is mentioned in this paragraph, I would like to draw attention yet again to one very important fact: the ECSC can help in a very positive way in increasing employees' mobility by offering housing loans. Even though it is clearly intended that the Social Fund should concentrate on providing employment in the poorer regions, there is often still the problem, even within such regions, that jobs will be created beyond the geographical reach of the people who need them most. Why cannot the Community, therefore, examine the possibility — and I ask for no more than that — first of providing low-cost housing loans in certain problem areas, and

secondly providing a once-for-all mobility grant for the unemployed person who needs to move house in order to find work. Of course I realize that in all Member States grants, subsidies, loans and arrangements of some sort can be made to cope with the problems of housing and the mobility of workers, but these are not fully coping with the problem. I would ask that more should be done.

But we need to make up our minds: are we attempting to construct a real Community social and regional policy, or are we merely giving national governments EEC funds which will be submerged in their normal budgets and policy-making, as happens with the Regional Fund? If, as I believe we should, we are constructing a Community policy, then we cannot ignore the fact that the Community concern itself with the whole problem, not merely of creating the jobs, but of housing the workers, as the ECSC does, and of seeing that they can reach the place of employment. The willingness of the Commission to concentrate more upon the poorer regions makes such a global approach much more feasible now than it has been in the past. I hope that the Commission will take these suggestions seriously and comment upon them. I also hope that it will answer some of the criticisms made in the opinion by the Committee on Budgets, which my group feels to be a very valuable commentary upon the proposals.

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

Mr Pistillo. — (I) Mr President, ladies and gentlemen, the document submitted by the Commission to the Council regarding the review of the rules governing the tasks and operations of the European Social Fund and on the basis of which Mr Adams, the rapporteur, has drawn up the motion for a resolution we are considering does not, as far as the Community's European social policy is concerned, contain any notable innovation as compared with what it has become customary to call the 1971 reform of the Social Fund.

The modifications or innovations that are proposed mainly concern the acceleration, or an attempt at acceleration, of the intervention procedures and some easing of the situation with regard to decisions on payments, in view of the wide gap between commitments assumed and payments actually made each year. Apart from this there are many statements of good intentions such as:

the Commission should bear in mind the need to make the Social Fund one of the instruments of employment policy.

The inadequacy of the resources of the Social Fund are recognized but no proposal is put forward to alter this situation, which is certainly the main obstacle to the development of a social policy in the Community capable of coping increasingly effectively with the present difficulties.

Pistillo

For this reason, the view taken by the Communist Group on this Commission paper is highly critical and it is itself a sign of the serious situation in which our Community now is.

In view of its character, we therefore take a similar view of Mr Adams' motion for a resolution.

So the first serious contradiction is that between the gravity of the present social situation in Europe (we refer primarily to the unemployment problem) and the package of proposals that have been put forward. These proposals are substantially the same as the 1971 proposals in a situation which, as other Members have already pointed out, is radically different.

The unemployment figure in the EEC countries — as has already been pointed out — is running somewhere between 5½ and 6 million. More than 2 million are young people under 25 and future prospects appear nothing short of critical, being aggravated by the inflation affecting the majority of our countries. Much has already been said and written about the gravity of this picture. At its recent session in Rome, the European Council set as the main task of Community policy that of

reducing the serious unemployment in Member States without creating the risk of fresh inflation.

The final communiqué after the recent summit conference in London, again with regard to this serious problem, includes the statement:

Our most urgent task is to create more jobs while continuing to reduce inflation ... We are particularly concerned about the problem of unemployment among young people ... there will be an exchange of experience and ideas on providing the young with job opportunities.

Most appropriately, again at the London summit, Mr Andriotti, President of the Italian Council, stated that 'the fundamental human rights include that to work, which we should be in a position to provide for all, particularly the young', whereby Mr Andriotti helped, to some extent, pose the problem of human rights with his feet on the ground.

I shall pass over other statements and declarations for lack of time and go on to a few brief comments.

Do we or do we not realize — this is the question I would like to put to myself and to all of us here — the vast gap between the seriousness of the employment situation in the Community and the resources and instruments at our disposal?

Hence my first conclusion: down with fine words and declarations of goodwill! Either the Social Fund is given more resources or else there is little point in just talking about it. We need to tackle this situation, we need to bring the Community budget — now wholly titled in favour of agriculture or, to be more precise, in favour of the particular interest of certain sectors of agriculture — back into balance.

We do not say that this equilibrium can be re-established overnight. We understand that it will

not be easy or quick but we have to establish the new trend with vigour or otherwise have no effective EEC social policy.

Nor do we claim that the EEC can or should take the place of national policies which remain the decisive instrument for tackling the serious NATO crisis but we need to establish a policy of coordination, integration and support for certain options rather than others.

And here we come to my second point which I shall deal with quickly: dispersal of intervention. In the Commission's proposals we read that: 'there is a constant danger of dispersal of intervention'. Well, this dispersed intervention should be replaced by a global action, planned in accordance with an intervention policy that is not purely the result of certain applications but stems from requirements genuinely verified in the individual countries and in particular areas and regions.

In substance this policy I am appealing for is that proposed by the European Trade Union Confederation and whose object is to reconcile regional and sectoral criteria and the requirements of the neediest categories of workers in the present situation. Set against this planning and intervention policy to be implemented on a global basis, the division of intervention as provided in Articles 4 and 5 of Decision 71/66/EEC seems and is artificial. We all know that it was the outcome of a compromise which the facts are proving to be not only harmful but paralysing in its effect on the European Social Fund's intervention capability at the present level of its financial resources.

The alternative could be intervention on a pilot basis in certain particularly badly hit regions in order to have some real impact on the present employment situation. This too, as you know, is a proposal made by the European trade unions.

Unfortunately the conclusions we draw from a careful, calm and objective study of the Commission's proposals compel us to consider that they are not only inadequate but — let me say this with the utmost clarity — based on a policy that we do not hesitate to define as mistaken.

The time available does not allow me to deal with any other points. I feel I have brought out what, in our opinion, are the most important points in an overall opinion that in our case, as I said at the start, is highly critical. This view that we have endeavoured to explain in all frankness, as is our habit, does not prevent us from trying to amend some parts of the motion for a resolution in order to introduce some of the lines of thinking I have referred to. We have therefore, Mr President, tabled a few though, in our view, improving amendments in a constructive and positive spirit.

Pistillo

It is not a verbal campaign against unemployment that we want but concrete facts, more resources made available and above all a line of action that has a plan and a programme.

President. — I call Mr Pisoni.

Mr Pisoni. — *(I)* Mr President, ladies and gentlemen, I shall speak briefly just to make a few general points but above all to explain the amendments that I have tabled on behalf of the Christian-Democratic Group.

We are discussing the Social Fund, one of the few instruments available to us to try to inject — I do not say into social policy but into policy in general — a factor helping to correct the growing imbalances we perceive as the days go by. It is clear that we cannot solve these disparities by relying purely on the Social Fund or by reliance on social policy alone. As we have said so many times in this Parliament and elsewhere, we believe that general policy should make itself responsible for these problems and that if it does not, then neither will social policy be able to do much in its attempts to solve them. This is one of those times in which the employment crisis is becoming graver and what concerns us is to see the number of jobs lost every day. What is more, if we look carefully, even where unemployment seems to be falling, this is not because the number of jobs is increasing, it is either because more jobs are becoming vacant or people are retiring earlier, or — as is happening in many countries including Germany, Switzerland and others — because migrant workers are being sent home. If we had exact statistics — which, incidentally — we have asked for — about the precise number repatriated we should see the drop in the number of jobs that we have had in the various countries and we would see how the reaction to this has, in part, been the repatriation of migrant workers. This is one answer, and a very simple one, but which does not really solve the problem.

Having made this point — in my view, a basic one — we cannot, in this debate on one of the few instruments at our disposal, say clearly, without further evaluation, whether some degree of make-believe is not creeping in as regard the fund's resources or its intervention potential.

We are trying to load with significance a thing which has significance but which is almost entirely ideal, not practical, in nature, in other words not such as to give a policy of progress any operative meaning. We need to say these things so as not to be deluded into thinking that, with this debate, we have come a long way forward towards solving the problem. What are the changes which the Commission has proposed and about which Parliament has so far been silent? Let me draw the attention of Parliament itself and the Commission to them: the change from 50 to 65 % (a

step which we approve), the possibility of new tasks and the proposed 35 % intervention in favour of a certain type of region where conditions of serious employment problems or disparities of development are found.

Nothing has been said about these things and this I regret a little. We have not, as Parliament, said what these new avenues for action should be and what new aims the fund should set itself. Even though the fund is small, perhaps it may take on some new objective, particularly if it is considered in relation and in coordination with the other funds.

This is my basic point because in the end it seems to me that, of all the reforms — apart from the shift from 50 to 65 %, the acceleration of the procedures and the logical end to the distinction between Articles 4 and 5 to which I shall return later — the basic theme of the reform is this, it is centred in the fund's new tasks which we have not, however, yet defined. We have confined ourselves to repeating that the situation is serious, the crisis grave and that the fund should intervene, but how it should intervene apart from the ways in which it has done so up to now has not yet been said in precise terms. Above all, however, the intention to intervene has not been given backing in terms of money, financial coverage or appropriation. Asking the fund to intervene over an even broader spectrum than before and failing to give it any further resources means asking it to fritter away the little money it does have and therefore to weaken intervention itself.

Now a few points on the four amendments that I have tabled on behalf of the Christian-Democratic Group. The first amendment proposes a change to the wording of paragraph 2 of Mr Adams' motion for a resolution, not because there is anything wrong with it but because it seemed to me that we should reconsider whether paragraph 2 should be connected with paragraph 1 in terms almost of cause and effect. It would be better to divorce them and to separate them in substance. The amendment is a new wording for paragraph 2 which does not add very much. It would delete that part in which Parliament doubts whether it will be possible for the Commission to keep to the timetable. I say let us have no doubts and act as though the Commission will really keep to the timetable it has given.

Amendment No 6, which proposes the addition of a new paragraph 2a, states clearly that Parliament is concerned about the crisis and says so: it is a declaration of good intent, a declaration of principle if you like. It has no immediate operative outcome but it says: we ask the fund for a concrete, proportionate effort, not, therefore, limited to deploring the crisis but assuming a priority task in proportion to the seriousness of the crisis.

Pisoni

Amendment No 7, which proposes the merging and new wording of paragraphs 7 and 8, concerns the subject to which I referred at the outset regarding the proposed abolition of the distinction between Articles 4 and 5 of the fund. I propose that this distinction should not be suppressed and that the appropriations under Articles 4 and 5 be kept separate, not because we do not want coordination, not because we do not recognize that at certain times it may be useful to be able to transfer appropriations from one article to the other, not because we ought, from necessity, to maintain the two decision procedures (one left to the Commission and one left to the Council), but because the reasons why this distinction was made still prevail. What is at the root of all this? One article relates to sectoral or sectoralized intervention, in other words for those sectors that are in difficulties — shipyards, the textile industry, agriculture, clothing, the minorities, emigrant women, etc. — in other words a whole series of this kind. The other article, however, covers intervention in regions that are structurally weak. It should not be forgotten that for regions lagging behind in structural development, the growth gap is steadily increasing. We do not want this help too, however small it be, to fail these regions. We shall not eliminate disparities through the Social Fund but if those disparities have increased since the time when we began to concern ourselves with regional and social policy, it means that the fund has counted for very little. I would therefore like this task to be maintained and, since no alternative proposal has been made enabling this priority to be safeguarded in an attempt to restore a better balance in the structurally depressed regions, I feel that, at the present time, we should not get rid of the distinction between Articles 4 and 5 but that we should maintain this general and dynamic approach.

The other amendment is not so important. Its purpose is purely to add a sentence to paragraph 11 — where reference is made to the fund's resources. Its intention is to bear witness to the fact that the Social Fund's resources are at the moment wholly insufficient for the tasks it is called upon to perform.

I appeal to Members to make these concerns their own and to adopt these amendments; I consider that they are improvements. I would like to hope that Parliament will have an early opportunity to discuss the Social Fund's new tasks. I also hope that the amendment tabled by Mr Caro will be approved which proposes a certain method for increasing the fund's resources. These are indispensable conditions if our words are not to be invalid and our efforts wasted and if, instead, all our discussion is to result in something concrete.

IN THE CHAIR : MR COLOMBO

President

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — I am sure that all the Members present must wish to join in Mr Pisoni's

expression of anxiety about the inadequacy of the Social Fund to deal in particular with the huge problem of unemployment, but also with the related difficulties which people are facing all over the Community in their careers. Nevertheless, I would like to widen the debate somewhat to take in longer-term considerations of social, industrial and economic policy, because I think that this is the appropriate moment, when we are reviewing the performance and future of the Social Fund.

We have this very clear problem, all over the Community, that inflation is not reacting to credit restriction. Unemployment is not responding to credit expansion. Governments which are swithering between credit-restriction and credit-expansion policies are in danger of achieving nothing. Stagnation in the countries which are holding their economies back is creating social problems as well as industrial obsolescence, and economic growth, where it is occurring, is not drawing workers back into employment, but is stimulating technical change instead. Workers no longer find that they acquire a lifelong skill when they complete their education, apprenticeships or technical training: all too often they find that by the middle of their working lives their skill is becoming obsolete and they have to retrain in order to continue to earn to the limits of their capacity in the second part of their earning lives. So we have problems to tackle in dealing with unemployment which are unfamiliar and which require totally new thinking about the ways in which we are to tackle our economic difficulties. There is no doubt that the world needs our goods and services; we have to put our economy into good shape again for the sake of humanity as well as ourselves; but technical change demands a new approach to the organization of work.

I have three questions in particular for the Commission this morning.

Will the Commission give thorough study to the effects of contraction of the working week, either the 30-hour week or the 4-day week, and the whole question of part-time working? What would the consequences really be of the widespread adoption of shorter working hours and, in particular, what would the effect really be on the unemployment problems of different industries and services?

Secondly, will the Commission give particular study to the trend towards attracting married women with young children into employment? In Britain, for example, the tax structure is such that families are at a disadvantage, but married women who go out to work have decided tax incentives, and yet we have seen that

Rhys Williams

in the growth of unemployment in recent years, it is the women that have suffered most, and this leads one to question whether we are right to continue with this trend towards attracting married women with young children into employment.

Thirdly, will the Commission consider the whole phenomenon of simultaneous inflation and unemployment in its human, rather than the theoretical or mechanical monetary terms? Our economy is a manifestation of the sum of millions of individual decisions made by workers, entrepreneurs or salaried managers all over the Community. We have to study the financial and social and psychological factors which go into the making of these millions of personal decisions. I don't believe that we can find the answers to our economic problems by academic disputes about the effects of different forms of money supply or the effects of different national tax-policies, or governmental intervention. I think we have to go right to the individuals who make up the European economy and find out what is guiding them to take decisions which in fact are adverse to their own interests in the long run.

For instance, what makes a business decide to defend its profits by raising its prices rather than by expanding its production? High interest rates and the lack of market confidence induced by classical methods of fighting inflation through contraction of credit may well be contributory causes of inflation, because they force businessmen to take refuge in higher profit margins rather than in higher turnover. I think that this is a subject on which the Commission should express a view, and if they haven't a view today, then they should make a study of this aspect of business psychology.

Secondly, what makes a worker decide to strike for higher wages rather than to collaborate in work-saving technical innovations or work substitution schemes, which would reduce costs and thereby strengthen their industries? These attitudes are very understandable, but we haven't given enough attention to the effect on the European economy as a whole. Perhaps it is the very dread of unemployment, at a time when unemployment is rife, which impels workers to press inflationary wage-claims or otherwise to weaken their employers' competitive position, thereby aggravating the very problem they wish to avoid. We have to understand these paradoxes at the level of personal attitudes to work and individual decision taking.

It certainly appears that the loss of business confidence and the growth of unemployment are plagues that are now feeding on themselves. Traditional remedies are making matters no better, and may even be making our economic weaknesses still more acute, and so we see the effect within the Community that countries which are relatively strong in resisting inflation or unemployment seem to be drawing still further apart from those countries of the Community

which are applying classical remedies to these diseases and in so doing seem, in fact, to be weakening their economies rather than catching up. The Community is in danger of falling apart. Of course, from month to month, and even year to year, we are leaving these problems unsolved. I believe that it is not enough to go along with the consensus and keep saying that we are trying remedies, we are fighting inflation, we are taking a stand against unemployment, when in fact what we seem to be doing is valueless and may even be making matters worse.

So, can we look to the Commission to stimulate new thinking about these questions? I have taken the opportunity to raise these points while we were debating the future of the Social Fund, because the fund itself can never be more than a palliative. The cure to our economic and social sickness can only be found through the application of fresh ideas.

President. — I call Mr Schyns to introduce the opinion of the Committee on Regional Policy, Regional Planning and Transport.

Mr Schyns, draftsman. — (*D*) Mr President, I rather regret that, as draftsman for the Committee on Regional Policy, Regional Planning and Transport, I was not asked to speak before now. Still, better late than never and so I would like briefly to state my views on Mr Adams' important and forwardlooking report — on which I congratulate him — and to add a few specific points.

I agree with the Commission when it says that the elimination of regional imbalances, in the long term, will remain one of the Community's vital tasks. In so doing, the Commission is stressing the importance attached to regional problems in this document and it is to be hoped that in the future, the broad interpenetration of social and regional Community policy will be taken into greater account than before when proposals are framed. It is about time we stopped shelving this problem and introduced proposals with teeth in them. This is what Parliament has already been demanding in countless oral and written questions, resolutions and reports. It therefore hopes that the Commission's basic approach will be filled out with a more comprehensive conception of economic development, taking into account the human factor, since the needs are not only economic in nature but also relate to education and training. The measures proposed in the Commission's document concern a number of requirements which the committee that I represent has often put forward.

Firstly there is the coordination of the various Community financial instruments. We take the view that there should be a greater measure of coordination in this respect, in other words closer cooperation between the European Regional Development Fund on the one hand and the European Social Fund, the EAGGF Guidance Section, the European Investment

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Bank and the ECSC Fund on the other. This point has already been made in the report on certain aspects of the Community's future regional policy (Document 35/77) and in Mr Caro's report on the 4th Activity Report on the European Social Fund for 1975 (Document 578/76) which, in paragraph 8 of the motion for a resolution, points out that resources from the Social Fund would permit more effective measures if their distribution was coordinated with that of resources from the other EEC funds.

We are gratified that the Commission has put Parliament's views on this subject into effect, firstly by setting up a special task force — a kind of inter-departmental working party — to improve coordination between the various financial instruments, and by giving a special coordination assignment to Mr Giolitti, the new member of the Commission. Secondly, however, there must be an effort to concentrate Community aids and carefully avoid any frittering away of our sparse resources. The Committee on Regional Policy therefore welcomes the fact that, in paragraph 49 of its explanatory memorandum the Commission states that Decision 71/66 must enable the Council to determine eligible areas, which means that Community criteria can be used instead of national yardsticks.

Thirdly, special importance must be attached to the help for regions where the most important sectors of the economy are in decline, with particular reference to the requests that Parliament has already addressed on many occasions to the Commission. Here, for example, we are thinking of various areas in Scotland and in the North-West of England, which not only have to grapple with difficult redeployment and retraining problems and with obsolete and inadequate infrastructural facilities, but are also afflicted, because of their leeway economically, with serious social difficulties, such as an intractably high level of unemployment, a considerable degree of migration and a disquieting increase in alcoholism and criminality.

Other industrial sectors should not be forgotten, either, such as the textile and clothing industry, ship-building, mining and, not least, the iron and steel industry. We are convinced that, with the help of energetic measures in favour of industrial problem areas, the growing gap between the various regions in the European Community can be gradually reduced and we hope that the Community institutions will bear these requirements in mind so that the regional social imbalances in the Community may be largely eliminated with the objective of a united social and economic Europe in view.

These, Mr President, were a few comments which I wished to make on behalf of the Committee on Regional Policy, Regional Planning and Transport. With your permission, now that I have the floor, I would like to add a personal comment addressed to

the Commission and also the Council. Day in day out, gentlemen, we read in the *Official Journal* a quantity of regulations providing for the free movement of goods in our countries, but what we do not find is regulations concerning people, people as workers in these nine countries and with whom we have to deal. Unfortunately we find no regulations to help migrant or frontier workers at social level. There are too many different legislations in our nine countries. Here something really needs to be done to create equality in this field as well so that progress can be made — as in the trade sector — towards making all workers equal in the EEC and entitling them to the same social privileges and conditions in the performance of their work. Some of our countries, you see, find it very easy to conclude bilateral agreements with countries from which they receive manpower or even basic commodities but they cannot manage to sign multinational agreements in the framework of the EEC in the interests of workers. So here I would like to ask that the Commission and the Council should take the initiative to have Regulations 3 and 4 — which after all are obsolete — reviewed and that, in this area, we should not only tackle the unemployment problem by means of financial aid but also do more to secure generalized and improved social legislation in our Community.

President. — I call Mr Bersani.

Mr Bersani. — (*I*) Mr President, ladies and gentlemen, I too have to thank Mr Adams who has been following this problem with great attention for many years. With this report he has once again made a particularly notable contribution to our deliberations and our proposals. I would also like to express my appreciation to Commissioner Vredeling for the industry, imagination, resolution and courage he has shown on so many occasions and I therefore feel that he deserves from us a vote of confidence at this time when he is preparing to launch certain reforms — though limited and in our view absolutely inadequate — to the Social Fund.

We are quite clearly all aware of the extent to which proposing a new dynamic role for the Social Fund to make it not only an aid-providing and marginal instrument but capable of effective structural action stands in manifest contrast to the limited nature of its finance and the serious inadequacy of its resources. That is something that all Members have fully stressed.

Even so I would like to try and find room, between the lines of the Commission's proposals, to accommodate the suggestions that may come from this Assembly. In any case, in the last part of its proposals, the Commission asks Parliament not merely for general political support but also for precise indications and concrete proposals with regard to the dialogue it proposes to undertake with the Council on

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the question of the so-called 'new tasks' for the Social Fund.

Other Members have recalled the main stages in the development of the Social Fund from the first phase in which it was an instrument of 'buffer' intervention to the 1971 reform that many Members have referred to. I would like to take up just one point of the 1971 reform. Because it has been brought up by so many Members it will help us to understand the progress implied by the new proposals and on the basis of which we may hope to work, together with the Commission and the Council, for the future. The 1971 reform helped us to go beyond those tasks I have referred to. Certainly the measures to enlarge the vocational training activities and above all to introduce concertation by coordinating intervention in favour of the particularly disadvantaged regions and sectors in critical situations such as the textile industry for example, represented an interesting and important development.

With regard to Articles 4 and 5 I would not agree with those Members who said that this was a question of a compromise, mainly governed by matters connected with agricultural problems. In actual fact the wording of Articles 4 and 5 was dictated, at a time when regional policy was launched, by the need to give particular emphasis to this policy and to highlight this first coordination between measures capable of exerting structural effects and which help, in my view, to give the Social Fund, if we are capable of this, a central role in catalysing the resources of the European Bank, the Regional Fund, the EAGGF Guidance Section and so on. These are measures and instruments enabling us to go beyond the aid-giving phase and reach the stage of restructuring and development, particularly in regions in particular need of such measures.

Now, in my view, without disputing the need underlined by the Commission for projects to be grouped together, for having more pertinent objectives at the structural level, and to have all this better dovetailed into plans for regional development, this distinction still has grounds for being kept in existence and may, if correctly interpreted, favour — and not work against — that more general policy of planning and coordination on which I believe we are all basically agreed.

What Mr Pisoni, with whose amendments I am in full agreement, said is true, namely that the new fact is the allocation of 35% of this flexible Fund to assist primarily sectors passing through a temporary employment crisis or to help specific projects.

Mr Vredeling, you will remember that in a certain debate you, I and others were in agreement with the then Commissioner Marjolin in hoping that measures against unemployment which did not seem urgent in boom and development periods might, in a kind of regional fund to which some percentage of national

resources might be allocated, be welded into a first instrument of Community solidarity to cope with the greatest problem of our society, that is to ensure stable employment at a fair level of income for all our citizens. Mr Marjolin recently returned to this proposal which stemmed from a group to which you also belonged and to which I also made a certain contribution to the best of my ability. I feel that the way in which he brought out and repropounded this idea of his should receive wider support from us.

In conclusion, I feel that in answer to the Commission's request for our ideas regarding the new tasks for the fund, the directions in which we should be working should primarily be the following.

The first is certainly that of unemployment among the young. Initial coordination already exists at the European level; every one of our countries has adopted national measures. In this I believe we have acquired sufficient experience recently in our countries to show that it is possible to achieve results.

The second is that of the development of projects, especially in the most depressed areas and also in other areas in mountainous and hilly districts. I am also thinking, for example, of cooperation with a capital C to which no-one here has referred but which, in my view, deserves closer attention, that is to say the problem of the cooperative movement in the production sector.

In Italy we are finding that, whereas a whole series of sectors are in crisis, the cooperative movement between workers and certain intermediaries is developing investment, creating new jobs and becoming an extremely dynamic factor precisely in those zones and sectors that appear to be in the most critical situation. This phenomenon therefore proves that this sector, not — up to now — helped in any special way by anyone, has its vital forces that up to now we have pushed aside and disregarded.

The third is certainly the problem of projects at regional level. This is where the answer might be found to the problem of the dispersal and limited scale of our resources. You are right, Mr Vredeling, in proposing that it is necessary to group projects. Here, in my view, dialogue with the regions, the surmounting of the dispersal problem and fitting in with certain specific local situations is possible. In this sense the speech by Mrs Kellett-Bowman regarding the value of the infrastructures and the significance of the intervention by other structural funds could have fresh importance.

I would therefore like, Mr President, to urge Commissioner Vredeling, who is working with a very narrow instrument, to try to broaden it with these new prospects and hopes.

If, however, we limit ourselves to these financing schemes and to these marginal, supplementary and

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primarily aid-distributing schemes we shall be unable to offer an adequate answer to the serious social problems existing in the Community's present situation or to the moral and political responsibility that we have assumed in this matter.

President. — I call Mr Ellis.

Mr Ellis. — Mr President, I am a little apprehensive about speaking because I do not claim to be an expert on the administration of the Social Fund, or indeed on the affairs of the Committee on Social Affairs, Employment and Education but I have read these proposals and I have read Mr Adams' report — I congratulate him on it — and the opinions from the Committee on Regional Policy, Regional Planning and Transport and the Committee on Budgets. But I have got up mainly because I have been inspired to do so by Sir Brandon Rhys Williams' speech and partly also by what Mr Pisoni said.

Sir Brandon always makes, in my view, interesting speeches and his speech today was typical; it had some very, very interesting and useful suggestions to make and he talked in particular about the problem of unemployment. While I do not want this to develop into a broad debate on unemployment — I would be out of order if I were to do so — nevertheless I would like to try, as it were, to put the concept of the fund as I see it, and indeed as many Members have referred to it, in the whole context of the problems facing us in respect of unemployment.

Mr Pisoni took, I thought — certainly in the early part of his speech — rather a sombre view of the fund, a pessimistic view of the fund, and I feel he was too pessimistic. If I read correctly what has been proposed — I may be wrong, I hope the Commissioner will tell me that I am right — I think there is quite a step forward, and I would like to explain how I see it.

Bearing in mind always that the longest journey has to begin with the first step and while we all accept — and a number of people have said this — that the fund is marginal, and indeed in a sense all the Community funds are marginal to the problems of unemployment, nevertheless it is important that we take the first step along what I call the right road. In order to try and explain what I mean by the right road I would remind the House that yesterday, when Mr Ortoli, Vice-President of the Commission, gave us an account of the economic situation in the Community, I made the point to him in a question that one could regard the economic history of the Western world since the war as in a sense being a picture of the great American engine drawing us along all behind it and all of us prospering in the wake of the movement inspired in America by the dynamism in that country. For example, America had substantial deficit for a long time in its balance of payments, it had an over-valued

dollar, it injected a lot of direct capital into the Community, and the key to it all, it seems to me, was that there was in the Western world for a considerable period of time what I called 'a benign economic hegemony'. There was a unified political will and this essentially is the key to the whole issue of unemployment, the fact that there was a positive policy being pursued by hegemonic power, as it were. What has essentially happened in the last few years has been — it seems to me — that partly because of the very success of countries in the Community and elsewhere in the Western world, this hegemony no longer exists. The summit that was held last week-end, it seemed to me, was in one sense to be regarded as an attempt to restore somehow or other sufficient collaboration as to have once again a unified political will.

Well now, this brings me to the whole question of the proposals on this fund, because the significance that I attach to the proposals is that the Commission is proposing, for the first time since it was formed, really to begin to act in a single unified way. I remember the former Commissioner, Mr Thomson, in one of his last speeches before he retired last December, making the point — and he illustrated the point with a number of statistics — that so many of the actions of the Community had worked to militate strongly against each other, and that whereas we were trying, as it were, to improve the position in some of the regions with the Regional Fund, the consequences of the agricultural policy were working in an absolutely diametrically opposed fashion and that there was a lack of coherence, a lack of unified political thought within the Community. This, it seems to me, has been the great weakness of the Community in the last three or four years.

And I go along greatly with another former Commissioner, Mr Dahrendorf, who said in London not long ago that the first Community is dead, long live the second Community. That is, the original bureaucratic systemic Community which came along in this economic growth period, which worked simply by passing various regulations, is gone. It would no longer work, and we had to develop a political Community. The fact that in this fund the Commission is prepared, for example, to name specific regions is, it seems to me, quite a substantial step forward, because it is in a sense contrary to many of the attitudes adopted by the nations-states. That one fact alone, if I am reading the whole thing rightly, is much more important than whether there are 600 million units of commitment appropriation, or whether it is 50 % or 65 % because, in any case, the actual sums involved as many people have said, are marginal. But we do, it seems to me, have here the first start of this coordinated policy.

In the opinion by the Committee on Budgets it says that 'nor is there any mention in the review of the

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dovetailing of the work of the fund with that of other funds'. Well, that may be so, but I would have thought that we must have confidence now in the Commission. There have been a number of speeches by Commissioners, including the President of the Commission, who have said quite categorically and specifically that they do intend to try to dovetail the various funds and the various policies, and we must allow the Commission therefore some flexibility and we should not expect to have everything spelt out in some kind of regulatory way.

Therefore, to conclude, and in reply partly to Sir Brandon, who spoke about the need to have all kinds of things, new ideas — indeed what we need in a sense, is a Brookings Institution to do the studies that Sir Brandon was suggesting — I would say that the key thing is to develop this political movement, and that peoples of the Community in the end are going to insist upon it. The nation-state in Europe, the classic 19th-century European nation-state, is outmoded in so many fields, so many sectors of our economy. It is demonstrably outmoded and when the people of the Community begin to realize that it is only by having a unified political will, in what is a major chunk, a major sector of the world economic order, the Western economic order, that they are going to do something, this is the first step on this long road, and I therefore take an entirely different view from the pessimism expressed by Mr Pisoni, and a number of other speakers.

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, I am just prompted by the speech of my colleague Tom Ellis, to make one observation. As a draftsman of the view of the Committee on Budgets last year — and I say this with some diffidence in the presence of Erwin Lange, the chairman of the Committee on Budgets — I think that Tom Ellis has a good point. From what we have drafted, it may give the impression of being less than flexible.

Now in one sense, as an earlier draftsman, perhaps I myself bear some little responsibility in the matter, but I think that Mr Ellis is on to a good point, and that as far as some members of the Committee on Budgets are concerned — I don't presume to speak for all my colleagues — we would welcome a degree of flexibility. I just wanted to make it clear that I thought he was, with justice, making an observation on the attitude of the Committee on Budgets.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I would like to begin by expressing my thanks to Mr Adams, the rapporteur, and the draftsmen for the various committees who were consulted in preparing the report submitted by the Committee on Social Affairs. I want to make a

special point of this, Mr President, because the Commission itself had in fact drawn up a very tight timetable and I am very pleased that Parliament and the committees of Parliament and the Economic and Social Committee as well were ready to work to this strict timetable to make it possible to meet the wish of the Commission and also of the Council that the reform of the Social Fund be discussed in the Council of Ministers of Social Affairs at the end of June.

To my mind it is because there has been a joint effort by the committee and this Parliament that we have come so far.

Before I make a number of comments with regard to the various speeches, permit me to emphasize again a few points from the Commission's proposals. In the first place, the Commission felt that the fund had to be given more elbow room in order to direct the intervention financed from the Social Fund towards specific groups of problems when this was required, from time to time, by the employment situation within the Community. This implies, translated into the language of the resolution, that the Commission wishes to intensify intervention under Article 4 of the fund. This covers activities designed particularly to help specific categories of workers or specific industrial sectors that are in particular difficulty in connection, for example, with structural adaptation within a given economic sector. I think that it is also the logical consequence of this that the Commission has proposed that greater flexibility be given expression in budgetary practice. That is the reason why we have proposed that the rigid fixing of appropriations, as was originally the case in the fund's first form, in the sense that Article 5 intervention had to account for 50 % of the total, should no longer be required and why we therefore proposed that it should be abolished. At the same time — and here I come to a second shift of emphasis — the Commission wants to intensify the regional operations of the fund. The implication here is that a certain priority should be given to regions with a permanently weak structure and where the unemployment situation is at its worst. In this connection, I would like to draw your attention to the fact that we have proposed — this has also been pointed out by various speakers but it cannot be repeated often enough — that a certain priority be given to the named regions in the framework of intervention under Article 5 but that this should also be done — and this is new — for intervention under Article 4. Moreover we have very clearly declared, in our proposals, that the share of intervention of a regional nature shall not be less than has been the case hitherto and that it is the intention — and this I can say to Mr Van der Gun who asked especially about this — it is the intention to carry this out in various ways: firstly through the budget proposals themselves that are submitted each year to Parliament and the Council, and secondly in the framing of the

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criteria that applications for aid have to meet. It is also our intention to incorporate the principle of regional aid into intervention under Article 4. On top of this we have also proposed, for a limited number of especially depressed areas, which we also proposed should be named (a point, Mr Ellis did not fail to notice) that the percentage of the contribution from the Social Fund should be increased from 50 to 65 %. This applies in particular to regions that have very great leeway to make up in comparison with the better-off areas of the Community.

Naturally we must see all this against the background of the present Social Fund which is limited in its purposes to its own objectives. We can also call on the Vocational Training fund and we have already proposed to broaden the field here; but we are not holding a general debate on regional policy. We are dealing with a limited field — the Social Fund — that naturally has to fit in with the general regional policy of the Commission and the Community.

In that field we want to strike out in a new direction by introducing new forms of aid in addition to the usual standard objectives of the fund. We want to open up new possibilities in the area of vocational training, removal assistance, installation allowances and so forth, and that is not so astonishing because we naturally have to react differently at the present time, in face of the vast unemployment problem, from 1971 when the fund was brought into being and when we were in the middle of boom conditions.

At that time the iron and steel industry and shipbuilding, just to name those two, were flourishing sectors of our economic activity. Since then these sectors have got into serious structural difficulties. In this connection, we may wonder whether the large-scale retraining operations that we undertake as such and other associated measures are indeed the most efficient and profitable ways of bringing about the restructuring that is our object. For what is the use of being well trained if afterwards it does not help you to find work. In some sectors of our society that is already the case. And therefore a coherent and well-balanced package of measures is needed enabling us, for example, to give selective employment subsidies. In that connection, I must say that I am not wholly in agreement with what Mr Pistillo said on this subject to the effect that the new proposals for the Social Fund are in fact less than what we did in 1971. I would point out that we have added new dimensions which, if they are agreed in principle, will be worked out by the Commission in more detail. I fully agree with what Mr Ellis said on this point. We could take the sceptical view and wonder whether the Council will be prepared to approve it. I agree with Mr Ellis that this will probably be a long journey but we cannot even start the long journey unless we take the first step, as he said himself. He has guessed precisely why

we put forward this proposal in what is, I will readily admit, a difficult time for the Council as well.

Precisely because of the present difficult situation we are in with regard to employment the Commission feels it has a duty to put forward this proposal. We have to make the new forms of aid that we have introduced subject to specific rules. We have to work them out in more detail. We have indicated the direction that has to be followed. If the Council gives its agreement in principle, it will be necessary, in consultation with this Parliament's committee and with Parliament itself, to give our policy concrete content. This will be possible if the Council, among other things, agrees to certain action in certain sectors or groups of sectors. In this connection, we are already working out certain measures for the steel sector and the Council is, in principle, in agreement.

A last part of our proposals relates to the simplification of procedures and administration. I shall not say much about this at this time; it is not such a spectacular subject but we badly need to get away from the present situation, marked as it is by a great deal of unproductive administrative fuss and bother, into a somewhat less bureaucratic organization of the fund — not that this needs to attract much attention. I see it as one of my most important tasks, in the roughly 3½ years left to me as Commissioner, to make the Social Fund a more efficient and action-ready instrument than it is today.

I shall now make a number of comments regarding what has been said by the various speakers. I would like to begin with a comment on Mr Lange's statement which he made in his important capacity of Chairman of the Committee on Budgets.

He referred to the special position of the Social Fund in relation to the budget. In fact, Mr Lange's request has already been heard because the Social Fund, unlike the Regional Fund and the European Development Fund, is a part of the budgets. It simply forms two separate items in the budget.

Mr Lange wondered whether we should not do away with this system and whether we could not simply discuss this matter in the framework of the budgetary procedure. Should the Social Fund policy not be justified in the explanatory notes to the main budgetary headings? In my judgement, no, not even formally, for the simple reason that, under the Treaty, we have to make certain binding regulations.

I also had the impression that Mr Lange took a stand, in dealing with the relationship between the Social Fund and the budget, that was somewhat special to him. Suppose the word 'fund' was dropped. It is not a 'fund' at all, it is simply a budget heading like all other budget headings. So the fund has no special status or what you will in relation to the budget as a whole. And now Mr Lange has asked that we should look more closely into this matter once again.

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I would like you to know that one of the new things that we have introduced in order to make matters at least clearer, is that in the spring we shall come forward with a document indicating the main lines of this policy. These lines of policy will be given for the following financial year so that the Member States making their plans for the following financial year can allow for the lines of policy that the Commission will have laid down. It will, so to speak, be the explanatory statement to the budget for the following year.

I believe that we will largely have met the wishes expressed in particular by Mr Lange by producing a document, when the 1978 budget comes up for debate, in which the policy that we intend to apply through that budget is clearly outlined for several years to come. The fact is that it is our intention to work out lines of policy for a three-year period and to adjust it year by year.

Mr Kavanagh made a number of remarks that I readily support. He has pointed out that the fight against unemployment is a priority in our Community. This has been repeated on every side. Mr Pistillo, for example, rightly recalled that the European Council meeting in Rome adopted a detailed resolution in which this point takes a central position. Mr Cifarelli rightly recalled that the recent summit conference in Downing Street also made the fight against unemployment a central topic. Now it is a question of drawing the logical conclusions from this. If the people at this high political level are ready to issue this kind of statement then — and here I agree with what Mr Van der Gun, Mr Cifarelli, Mr Pistillo and Mr Bersani have said — it is now up to the Council of Finance Ministers. They must not just make fine statements, or have their prime ministers and heads of state make them, but they must also take the action this calls for in the budget. With unemployment at its present level this is more than ever necessary. Neither, once that happens, will the Commission hesitate to produce specific proposals, again in the framework of the budget.

Mr Kavanagh touched on another point that was particularly dear to him, namely projects for the handicapped. Up to now these can be proposed under Article 4 and also Article 5. With the object of a more concentrated effort from the Social Fund in the future we have proposed that such projects come solely under Article 4 in the future.

This classification is necessary, for the reasons that I have already referred to, in the interests of administrative simplification and clearer wording of the regulations on which the submission of applications is based. Under Article 4, we do not want to limit our support for projects for the handicapped to those with a demonstrative purpose, as is primarily the case at the moment. We want to extend intervention under Article 4 to include measures which follow up the

demonstration projects, in other words projects which can be developed in the right direction in the longer term. These we shall be pleased to help finance. This means that, under the new Article 4, opportunities are opened up for the handicapped along the same lines as the criteria now being applied under Article 5.

I can also add, as set out in the Commission's proposal, that we shall, in so doing, give effect to regional priorities so that, in my opinion, we shall be meeting the concern rightly expressed by Mr Kavanagh at the fact that projects for the handicapped are being cut back too much, especially in his country. In its proposal, the Commission has taken care that this shall not be the case because, for one thing, we largely leave policy as regards the approval of projects in countries' own hands. I can assure Mrs Kellett-Bowman that it is absolutely not our intention to reduce our support for projects on behalf of the handicapped. On the contrary, we shall, as far as the modest resources of the fund permit, certainly increase our aid in this direction. For example, we intend to subsidise the so-called sheltered jobs, referred to by Mrs Kellett-Bowman, for people who are handicapped and who cannot find work on the normal open labour market. These sheltered jobs can be given their own place in the framework of the Social Fund. I already said this in an earlier part-session. At the moment we are studying ways in which this can be done. When we reach positive conclusions we shall tell you what we have done on this subject.

One single comment on Mrs Kellett-Bowman's question regarding the special problems of women and their vocational training. The present system is oriented towards the entry or re-entry into working life of women of over 35 who come onto the manpower market either for the first time or after a short interruption and whose skills are no longer what they were before and also no longer fitted to present-day requirements on the labour market. The aid the fund is designed to give to these categories is tied, at the moment, to certain restrictive conditions. This is connected with the regions where certain industries may be going through structural adjustment. Technical progress is then one criterion. The strange thing is that, so far, not one application has been made to the Social Fund for a project with the specific purpose of improving the skills and vocational training of women. Of course women may already have benefited from Social Fund grants in the framework of general projects for regional development and for the textile sector, for example, in which many women are employed.

No applications have yet been submitted, however, for special projects aimed at solving the specific problems of women wanting to enter working life.

Sir Brandon Rhys Williams referred to the very special problem of women with children. If the

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Commission's proposal is adopted by the Council it will be far easier to get rid of the restrictive conditions and to grant aid for special projects related to the specific problems of women. It will then be possible to give courses for women entering or re-entering working life to improve their basic knowledge and to brush up on earlier experience or on expertise they used to have.

Secondly, we have proposed that employment opportunities for women be considerably extended. The traditional occupations, like housekeeping and the other careers that are assigned to women in our society should not be the only ones open to them. Vocational training for women must be organized on a far broader basis. Women must have access, if they so desire, to the jobs that up to now have generally been carried out by men. Women must be given the opportunity. This will be possible if we subsidize projects designed for this purpose and if the Council agrees.

Finally, we have given thought to the training of advisers, instructors, and specialists in the placement of female labour. Projects of this kind we shall also help to finance.

Mr Pistillo spoke about the European trade union movement. The European trade union movement, which is represented on the Economic and Social Committee, received the Commission's proposals 'con amore'. A representative of the CIGL was also present at the time.

Mr Van der Gun, Mrs Kellett-Bowman and others spoke about information. Mr Van der Gun asked why, in the case of the Social Fund, we hid our light under a bushel. Why was more publicity not given to the activities of this fund? We have given thought to this point and our first step will be to improve the presentation of our annual report. We are going to include in it a summary of the situation in the Member States. In addition we propose to draw up very clear lines of policy for a three-year period. Mr Cifarelli referred to this as well. We propose to give far clearer details about the various projects and the various sectors for which the projects are proposed. Mr Pisoni already put a question on this subject in an earlier debate. In short I agree with what Mrs Kellett-Bowman said: we must ensure that the Social Fund works efficiently and is credited for what it does. With this I am full agreement because that is really necessary if the Social Fund is to become a living notion, not least among the people benefiting from these aid facilities.

Now a few comments regarding the interminable debate on Article 4 and Article 5. The question has been asked from various quarters: why this artificial distinction, why has the Commission maintained this compromise that was reached at the time? Well, it did so for pragmatic reasons. I know that there is more between heaven and earth — certainly in politics — than strict and rigorous logic; there is a thing

called political compromise and that we did not want to interfere with. Moreover, this does not prevent us from making a much better job of the scheme whilst maintaining Articles 4 and 5. Why should we take days over a somewhat theological discussion arguing that there should be really one article — with which I personally agree — only to find that the situation, in practice, is just the same as it is now? I would lose all interest before I started if, from the pragmatist standpoint, it could have no effect whatsoever. In any case, I feel that, in this transitional period, this imperfect situation in which, for that matter, the whole Community finds itself, we should be able to live with this kind of compromise.

Mrs Kellett-Bowman has in fact done what Mr Pisoni and Mr Bersani only spoke about. Both of them said we may have new possibilities, but no-one made any concrete suggestions. Well, Mrs Kellett-Bowman has. She has shown evidence of a constructive approach, for which I have the greatest admiration, and she has also made a concrete suggestion to the effect that we ought to use the Social Fund for the problem of housing — 'low cost housing loans' as she said — or 'mobility grants'. I have heard Mrs Kellett-Bowman speak about this before and I have positive admiration for her dogged efforts in this field. Although she is not present I would like to encourage her not to change her terrier-like ways. I would like to remind her of the fact that a Member of Parliament I know very well succeeded, through his tenacity, in having housing loans at low rates of interest introduced in the coal and steel sector. I admit that circumstances were very different at that time because the ECSC had its own resources. Nevertheless, I see no reason whatsoever why this should be possible only in the coal and steel sector and not in others. Here again we are faced with the long journey that Mr Ellis referred to and where it will be necessary to take the first step. Certainly, Mr President, one might well wonder whether this is possible with the Social Fund as it now is, but that is another question. However this may be, therefore, I find it an example of a new activity.

In the steel sector we have quite a different example, i.e. early retirement pensions, which will be possible if the Council accepts our reformed scheme for the Social Fund.

A further example is the taking of measures to stimulate the creation of alternative employment and other things of that kind. Mr Bersani gave one example that I shall look into with care. He said that we should direct our attention to new experiments at the local and regional level. He spoke about production co-operatives and the efforts of the unemployed to create productive work themselves with help from the authorities. The Commission and I myself are following all this with the greatest interest, but the difficulty is that, so far, we have had relatively few viable projects come

Vredeling

in on this subject. Nevertheless, we shall continue to keep a watch on this and as soon as we consider that more attention should be paid to it, including the granting of extra subsidies, the Commission and I myself will not hesitate to make the necessary proposals.

Just one comment regarding the very interesting speech by Sir Brandon Rhys Williams who made an effort to lift the debate out of the somewhat workaday worries of a Social Fund. The temptation to reply is great, but then I would be well and truly out of order.

In any case the subjects that he referred to, and which Mr Ellis also dealt with, going further in some ways, are all subjects that belong to the theme that will be discussed at the Tripartite Conference at the end of June.

Another comment is that I do not believe the difficulties we are in to be solely of a psychological nature just because the United States has lost some part of its hegemony as Mr Ellis called it. I think that more serious and more structural factors are involved, such as the energy crisis and the very steep increase in the prices of energy and raw materials making new initiatives necessary on the economic and monetary level. I also have the North-South Dialogue in mind — just think of the question of the recycling of petrodollars, and so on. I am going too far, Mr President, but we have to talk about these things if we want to discuss the employment situation in the Community. The economic problems that are the origin of unemployment are not confined to the Community. It is a worldwide problem with which all the industrially developed countries, like the United States and Japan, have to grapple and which is causing them all the greatest possible difficulty.

That, Mr President, brings me to the end of the comments made by the honourable Members. I would like, however, to close by making just one comment regarding the situation in which we now find ourselves and I can boil it down to one sentence. If the European Council of Ministers meeting in Rome adopts a resolution in which the Commission is invited to do something special for young people and for women and is asked to make special physical effort to promote employment; if the Community, present at the summit meeting in London hears people like President Carter declare that the heads of government of a number of countries and also the Commission of the European Communities must do something jointly regarding the fight against unemployment, then it is impossible that such declarations should fail to affect the Social Fund.

With this hope in mind I would like, following the Western summit in London and looking forward to the next European summit at the end of June, to address the remarks I have just made over your heads if I may, but not without your support, to the Minis-

ters for Social Affairs who are to hold a meeting on 29 June, just before the European summit, devoted especially to the Social Fund. I shall leave things at that, for the moment, Mr President but I would just like to thank Parliament for its positive reaction to the Commission's proposals.

Mr Dalyell. — Mr President, it may be I shall be thought to be by nature a male chauvinist pig, but I listened throughout the debate extremely carefully to the Commissioner, and, I must say, in what he had to say about women, with mounting dismay. I do not know whether in fact, it was out of gallantry to Mrs Kellett-Bowman who is not here. Incidentally, I do not want to make a party point about this but in our national parliament if people who have asked questions of a senior Minister did not bother to turn up for the answer, they would get short shrift. I think it is a matter of manners, at least when you have asked the Commissioner a series of questions and made speeches, whatever the circumstances you jolly well ought to be here to hear the answer.

But having said this, I would really like to ask Mr Vredeling a serious question. Is he being gallant, or is it really a matter of political priorities that funds should be set aside for the re-entry of women into the labour market? I have to tell him that in the area that I know in Scotland, this is a long way down the list of our priorities, and indeed if it was published that this was high on the priorities of the Commission, a lot of people would think it very odd, because the truth of the matter is that there is no serious female unemployment problem at all. There is an extremely serious male unemployment problem. And people would naturally ask whether it is really the priority of the Commission to give money for training schemes. Such projects have never been put forward before, and I am not entirely surprised, because I think it is very difficult to do this. I do not think the Commissioner should be surprised that he has had few projects.

And people would ask whether this is the priority rather than, for example, paying women to take part-time jobs as youth leaders. I come from an area where, last week, the local authority had to sack 233 part-time leaders because of my government's economic policy on public expenditure. As a result, all hell has been let loose and the idea of the European Commission coming forward and earmarking money where there is no need would be thought a very odd choice of priorities. Therefore I ask the Commission how serious they are about giving the re-training of women a priority in all parts of the Community? Would it not be better, at any rate, to tailor funds to the needs of each region? It may be that in Holland this is the priority. It is certainly not the priority in Scotland and therefore I do ask for an assurance or a comment that in fact priorities will be determined according to the needs of the area and not on basic generalizations.

Dalyell

And I do hope that the new Commission will not kowtow to all this new, rather fashionable business about equal opportunities and equal rights for women, because, as I say, I may be a male chauvinist pig, but there are quite a number of people who think we have gone overboard on this particular subject and rather left reality.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I can be brief. When Mr Dalyell said 'it may be' — I shall not repeat the rest of his words — I thought yes, you certainly are! It may of course be true that there are no projects in this field in Scotland but I speak to other categories, as well, not just men but women, too, and then I hear a completely different note — and women make up about half our population. In a word, I find Mr Dalyell's viewpoint old-fashioned.

(Laughter)

Our standpoint has nothing to do with freaks of fashion and following the craze of the day. This is not my nature at all. Why women at the moment want to take a greater part in social life than before is a question you had better ask women themselves, Mr Dalyell, and those that are organized in the trade unions. You will get a very clear answer from them, a far better one than I can give.

(Laughter, applause)

President. — I call Mr Adams.

Mr Adams, rapporteur. — (D) I have been congratulated for the record time in which I have presented this motion for a resolution and the report. Though we may finish the debate this morning, I doubt whether it was right to produce the report in this record time. Perhaps a number of contributions to the debate and several amendments that have been tabled would have been superfluous if we could have discussed this very important problem a little longer in committee. I would like to reiterate, with emphasis, what I said when presenting the report. I stated that I wanted to contradict the view that social policy was a kind of fire brigade whose purpose was purely to smooth out distortions caused by unsuitable economic policy measures by the Member States, or in other words I wanted to warn against using this Social Fund purely to correct the economic policy mistakes of the Member States. This really would be a waste of money.

I would like to add that the unemployment problem that we all know cannot, of course, be solved just with the resources of this Social Fund and then I said this:

In our view, social justice and social security are equally imperative for both social and economic policy. Admit-

tedly, a successful economic policy will create the decisive conditions for social justice but the harmonious development of our industrial society can be achieved only through the perfect dovetailing of social and economic policy objectives.

By that, Mr President and ladies and gentlemen, I mean that a number of contributions made to the debate this morning would have been better addressed to the governments in the individual Member States.

Regarding Mr Pisoni's contribution I am somewhat surprised that Mr Van der Gun, rapporteur and spokesman for the Christian-Democratic Group, presented a completely different view on this report from that expressed by Mr Pisoni, the other spokesman for the Christian-Democratic Group. This will come out more clearly in connection with the amendments that we still have to discuss but I am firmly convinced that this is not a question of the group, for which I have a high regard, but perhaps a misunderstanding between Mr Van der Gun and Mr Pisoni.

President. — The debate is closed.

We shall now consider the motion for a resolution.

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1 I have Amendment No 1 tabled by Mr Pistillo aimed at the addition of the following at the end of this paragraph:

...; programmed intervention is necessary to counteract the serious social situation in the Community;

What is the rapporteur's position?

Mr Adams, rapporteur. — (D) Mr President, in this amendment Mr Pistillo refers to programmed intervention. In committee, the majority voted for our wording, which says that the committee recognizes that, given the conditions at present imposed by the world economy, it is not possible to solve the problems facing us solely with the resources of the free market. Then, in paragraph 3 of the motion for a resolution, we say that global measures are necessary in order to find an answer to these questions. In my oral report I referred to four problems that, in my view are particularly important at the economic and political level. I am firmly convinced that these four, depending on which country is concerned, are not enough either. I would therefore propose that the House reject this amendment. If we refer to only one measure then that is just as negative as listing out three or four. We would need to give an even longer list. I therefore recommend the rejection of this amendment.

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

President

I put paragraph 1 to the vote.

Paragraph 1 is adopted.

On paragraph 2 I have Amendment No 5 tabled by Mr Pisoni on behalf of the Christian-Democratic Group :

2. Welcomes the swift reaction of the new Commission in pushing ahead with the reform of the Social Fund with a view to supporting national employment policies ;

What is the rapporteur's position ?

Mr Adams, rapporteur. — (D) Mr President, what Mr Pisoni had to say in connection with these amendments was very pessimistic, whereas the committee is pessimistic in only one paragraph, namely paragraph 2, which reads :

doubts, however, whether it will be possible in practice to abide by the timetable laid down by the Commission.

In my view, we ought to reject Mr Pisoni's amendment.

President. — I put Amendment No 5 to the vote. Amendment No 5 is rejected.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

After paragraph 2 I have Amendment No 6 tabled by Mr Pisoni on behalf of the Christian-Democratic Group and aimed at the insertion of a new paragraph worded as follows :

- '2a. Acknowledges that employment in general, unemployment among young people and the repatriation of migrant workers at present constitute the most serious problem and that short-term solutions cannot be found ; therefore calls for absolute priority to be given to this matter with due regard to the gravity of the situation ;'

What is the rapporteur's position ?

Mr Adams, rapporteur. — (D) I would like to ask Mr Pisoni to withdraw this amendment although I understand his concern. We have just heard from Mr Vredeling that, in the framework of this reform of the Social Fund, it is not the purpose of a motion for a resolution to appeal to specific groups, but to tell the total of 5 1/2 million workless that we are at least trying to help them with this reform of the Social Fund. It will, however, be one task of the fund to take these specific groups into account with regard to certain activities. I would therefore like to ask Mr Pisoni to withdraw this amendment, but if not then I would recommend that you vote against it.

President. — I call Mr Pisoni.

Mr Pisoni. — (I) With this amendment my primary intention was to put the emphasis on employment in general, on unemployment among young people and on the repatriation of migrant workers, these being three aspects that are not sufficiently highlighted in the motion for a resolution.

I feel that Parliament should insist on these three aspects in the present period of crisis, otherwise we may let this important opportunity slip by.

President. — I put Amendment No 6 to the vote. Amendment No 6 is adopted.

On paragraph 3 I have Amendment No 2 tabled by Mr Pistillo :

3. Wishes to stress from the outset that the Social Fund can make an effective contribution to our employment policy only if it is provided with much more substantial appropriations than hitherto.

What is the rapporteur's position ?

Mr Adams, rapporteur. — (D) Mr President, I share Mr Pistillo's concern but we have already voiced it in paragraph 11 of the motion for a resolution where we say :

Commends the Commission's proposals for improving the procedure of the Social Fund, but points out that they can be effectively implemented only if the fund is assured of adequate financial resources.

I therefore ask that this amendment be rejected.

President. — I call Mr Pistillo.

Mr Pistillo. — (I) The amendment I have tabled expresses a broader conception than that contained in paragraph 11 of the motion for a resolution. Because this is one of the points that has been a feature of the whole of our debate I must insist that this amendment be maintained.

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

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

Mr Pistillo has asked for a separate vote on paragraphs 4, 5 and 6.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

I put paragraph 6 to the vote.

Paragraph 6 is adopted.

On paragraphs 7 and 8 I have 2 amendments :

— Amendment No 3 tabled by Mr Pistillo aimed at the replacement of these paragraphs by the following :

- '7. Advocates in principle the division provided for in Articles 4 and 5, but feels that the aid should be coordinated as far as possible on the basis of general criteria and planning, to curb the serious negative tendency towards the fragmentation of the aid ;'

— Amendment No 7 tabled by Mr Pisoni on behalf of the Christian-Democratic Group aimed at the replacement of these paragraphs by the following new paragraph :

- '7. Appreciates the thinking behind the Commission's proposal and the need for improved coordination but nevertheless takes the view that since the differences in development between the various regions persist and, in many cases, are increasing, the distinction between Articles 4 and 5 should be maintained in order to avoid the risk of depriving less-favoured regions of aid from the fund ;'

What is the rapporteur's position ?

Mr Adams, rapporteur. — (D) What Mr Pistillo is asking with regard to criteria, generality and planning is, in my opinion, contained in paragraph 3 and I therefore recommend the amendment be rejected.

Adams

With regard to Mr Pisoni's amendment proposing that paragraphs 7 and 8 be replaced by a fresh paragraph I would like to point out the contrast between Mr Van der Gun and Mr Pisoni in this question. Mr Van der Gun spoke in favour of more flexibility, as is also proposed in the committee's proposal. So here there is a contradiction between Mr Van der Gun and Mr Pisoni.

I would therefore ask that both amendments be rejected.

President. — I put Amendment No 7 to the vote. Amendment No 7 is rejected.

I put Amendment No 3 to the vote. Amendment No 3 is rejected.

I call Mr Pistillo.

Mr Pistillo. — (*I*) I would like to ask for paragraphs 7 and 8 to be put to the vote separately.

On paragraph 7 we shall abstain, not because we partly agree with it but solely because we agree with the priority that it gives to the social policy aspects of the intervention to be decided upon.

President. — I put paragraph 7 to the vote.

Paragraph 7 is adopted.

I put paragraph 8 to the vote.

Paragraph 8 is adopted.

On paragraph 9 I have Amendment No 4 tabled by Mr Pistillo :

9. Acknowledges that the planning of aid to combat the serious social situation in the Community more effectively should be primarily the responsibility of the Commission ;

What is the rapporteur's position ?

Mr Adams, rapporteur. — (*D*) Mr President, I would like to plead for the rejection of this amendment. In my belief, paragraph 9 says in other words what is contained in Mr Pistillo's amendment. In addition, to be honest, I am not quite clear what Mr Pistillo has in mind with this amendment. I think he is implying that certain changes should be made to the structure of the Social Fund but, in paragraph 13, we have said that we should not stop at the changes that are specifically decided here but that the structures of the Social Fund as a whole should be changed in the foreseeable future and decided afresh.

I therefore maintain that what Mr Pistillo means and wants is contained in our resolution and I recommend rejection of the amendment.

President. — I put Amendment No 4 to the vote. Amendment No 4 is rejected.

I put paragraphs 9 and 10 to the vote.

Paragraphs 9 and 10 are adopted.

On paragraph 11 I have Amendment No 8 tabled by Mr Pisoni on behalf of the Christian Democratic Group aimed at the addition of the following to this paragraph :

... since its resources are at present totally inadequate for the tasks allocated to it ;

What is the rapporteur's position ?

Mr Adams, rapporteur. — (*D*) I am in favour of this amendment.

President. — I put Amendment No 8 to the vote.

Amendment No 8 is adopted.

I put paragraph 11 so amended to the vote.

Paragraph 11 is adopted.

I put paragraph 12 to the vote.

Paragraph 12 is adopted.

After paragraph 12 I had 2 amendments :

— Amendment No 9 tabled by Mr Caro on behalf of the Committee on Budgets aimed at the addition of a new paragraph worded as follows :

- '12a. Considers that, in view of the difficulties that have arisen in the management of the Fund and the problems connected with the effectiveness of Community funds in general, the Commission should state its position as soon as possible as to whether the very existence of these funds should be called into question, in the light of the need for an overall intervention policy based on a programme proposed by the Commission, the appropriations required for the implementation of this programme being made available by a decision taken by the budgetary authority in the context of a new procedure for the adoption of the budget.'

This amendment has been withdrawn.

— Amendment No 10 tabled by Mr Van der Gun on behalf of the Christian-Democratic Group and Mr Kavanagh on behalf of the Socialist Group aimed at the addition of a new paragraph worded as follows :

- 12a. Agrees with the Commission that the nature of its proposals is such that if the Council intends to depart from the opinion of the European Parliament it will be necessary to open a conciliation procedure with the European Parliament ;

What is the rapporteur's position ?

Mr Adams, rapporteur. — (*D*) I am in favour of this amendment.

President. — I put Amendment No 10 to the vote.

Amendment No 10 is adopted.

I put paragraph 13 to the vote.

Paragraph 13 is adopted.

I call Mr Pistillo for an explanation of vote.

Mr Pistillo. — (*I*) I wish to state that our group will be abstaining for the following reasons. Although a slight change has been made to the wording of the motion for a resolution, we see that it still contains many negative points.

Pistillo

We must, however, say that, in terms of the objectives we have set ourselves to reach a genuine reform of the Social Fund, this motion for a resolution also contains elements that should not be thrown out altogether. For this reason the Communists and Allies Group will abstain.

President. — I put to the vote the motion for a resolution as a whole as amended by the various amendments which have been adopted.

The resolution as amended is adopted.¹

I call Mr Dalyell for a procedural motion.

Mr Dalyell. — I think it would be courteous to the House, Mr President, to say that some of us would hope to raise what has happened in the last 40 minutes with the Committee on the Rules of Procedure. Mr President, it is no fault of yours, but why on earth should serious men like Commissioner Vredeling and his colleagues on the Commission take this Parliament seriously, when there is a sort of spasmodic vote of a few people who tend to be present? Frankly, if we are to be a Parliament at all, then we have got to do something about our voting procedure. This is a prime example of how not to do things. Some of us, it would be courteous to tell you, propose to raise this with the Committee on the Rules of Procedure.

President. — I would point out, Mr Dalyell, that if you had any objections to raise about the method and the time of the vote, you should have spoken earlier. I think that your comments at this time are somewhat superfluous.

As regards the attendance in the Chamber, I agree with you that we should ensure in future that we are more numerous.

The proceedings will now be suspended until 3.00 p.m.

The House will rise.

(The sitting was suspended at 1.40 and resumed at 3.00 p.m.)

IN THE CHAIR : MR ADAMS

Vice-President

President. — The sitting is resumed.

8. *Agenda*

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

Mr Martinelli. — *(I)* Mr President, I request postponement of the debate on the draft regulation concluding an Additional Protocol to the Agreement of 11 May 1975 between the European Economic

Community and the State of Israel and a Financial Protocol, on which I am rapporteur.

Should the Assembly not be willing to accept this, I would ask it to do everything possible to ensure that this debate takes place this evening. The reasons for my request are the following: my report was originally entered on the draft agenda for today, and I failed to point out that tomorrow I would have to return to Italy on important parliamentary business and that this question could therefore not be adjourned to tomorrow.

The debate has already been entered on the agenda and postponed twice. In view of this, Mr President, I therefore submit my request to you and ask for the decision of the House.

President. — Mr Martinelli, we do not want to change the order of business which was discussed for several hours. In any case a report can be considered in the absence of its author.

Mr Martinelli. — *(I)* Mr President, I put this request to the House since such a case is provided for in Rule 32 (d) of the Rules of Procedure.

You told me that it is sometimes the practice to discuss matters in the absence of the rapporteur. I believe it is only proper to discuss all reports in the presence of their rapporteurs in the interests of the seriousness of the debate.

At all events, if the House does not wish to follow the provisions in Rule 32 (d) of the Rules of Procedure, I shall have to concur. At the same time I must state that if I were not present for a debate on a matter for which I am rapporteur someone might believe that I was doing this for political reasons. And this is another reason why I would request you to postpone this debate or to bring it forward to this evening.

President. — I call Mr Yeats.

Mr Yeats. — Mr President, I wonder if, in order to help Mr Martinelli in his problem, we could perhaps achieve a compromise. Obviously, were we to put his report on to the agenda today we might run the risk of running late again tonight, which clearly we cannot do — it would not be fair to the staff to have another late sitting. But could we compromise perhaps and agree to put it at the end of today's agenda on the basis that if it is not reached by a certain hour — half past seven, eight o'clock whatever — it would then, in the normal course of business, be held over until tomorrow morning? That would be a compromise which would mean that we would not run late tonight. We could do that, and after all today's agenda is, I understand, on the basis that anything we don't finish today, we finish tomorrow. We could put it at the end of today, and if we can't finish it today we will take it in the morning.

¹ OJ C 113 of 6. 6. 1977

President. — Ladies and gentlemen, I will now consult the House on whether it agrees with this compromise that Mr Yeats has suggested, i.e. if we still have enough time this afternoon to consider this item, we should include it in the agenda.

Does anyone wish to speak against the proposal?

I call Mr Cifarelli.

Mr Cifarelli. — (I) Mr President, I believe that this will not solve the problem which is that the rapporteur is not available tomorrow.

In my opinion, if Mr Yeats will allow, we should do the following: either the debate should be held this evening or, if that is absolutely impossible, it should be deferred to the next part-session, since there seems to be a logical link between the two requirements of dealing with the matter in question and dealing with it with the rapporteur present.

Then my proposal in brief is to modify that put forward by Mr Yeats as follows: either this evening, or, if this evening is impossible, postponement to the next part-session.

President. — I call Mr Laban.

Mr Laban. — (NL) Mr President, as far as we can see, although you can never be entirely sure in this Parliament, the two items on this afternoon's agenda will not give rise to long and extended debates. So Mr Martinelli's report could be taken in the course of the afternoon; I would however follow your proposal that we should first see how the debate goes on the items which are now on the agenda and then take a decision later but I would have thought it possible for Mr Martinelli to introduce his report this afternoon.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission of the European Communities. — (NL) Mr President, the financial cooperation between the EEC and Israel, which is the subject of Mr Martinelli's report, and the agreements between the EEC and the Arab Republic of Egypt, the Hashemite Kingdom of the Jordan and the Syrian Arab Republic, which are dealt with in the report by Mr Pintat, are subjects of great importance as anyone who knows anything about politics will realize. They should be dealt with simultaneously. I would therefore like to request Parliament if it is at all possible to deal with these reports during today's sitting.

President. — I should like to point out to Mr Cifarelli that the situation is not as he has described it. Parliament can discuss a report in the absence of the rapporteur and vote on it.

I put to the vote Mr Yeats's proposal that Mr Martinelli's report be placed on today's agenda.

That is agreed.

9. Election of a Vice-President

President. — I have received from the Socialist Group the nomination of Mr Erik Holst to fill the

Vice-President's seat which has become vacant as a result of the resignation of Mr Espersen.

As no other nomination has been submitted, I believe the European Parliament will wish to elect Mr Holst by acclamation pursuant to Rule 7 (1) of the Rules of Procedure.

I declare Mr Holst Vice-President of the European Parliament.

At the proposal of the Socialist Group Mr Holst will take sixth place in the order of precedence of the Vice-Presidents and Mr Zagari will take fifth.

Are there any objections?

That is agreed.

10. Regulation on a European Foundation for the improvement of living and working conditions

President. — The next item is the report (Doc. 18/77) by Mr Lezzi on behalf of the Committee on Social Affairs, Employment and Education on the

proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 1365/75 on the creation of a European Foundation for the improvement of living and working conditions.

I call Mr Lezzi.

Mr Lezzi, rapporteur. — (I) Mr President, ladies and gentlemen, in its motion for a resolution, which Parliament is now to consider and vote on, the Committee on Social Affairs and Employment requests the Commission to withdraw its proposal. The Committee on Budgets has reaffirmed its own negative opinion. The Commission had proposed an amendment to Regulation No 1365/75 of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions to the effect that a second deputy Director's post should be added to the one laid down under Article 5 of the Regulation.

I would like to take advantage of this opportunity to express some observations of a general nature on the Foundation, on its structure and its activities in this first year of its existence.

It was in fact only on 9 March 1976, the date of the first meeting of the administrative board, that the technical, organizational and operational machinery was first set in motion to give concrete expression to the constituent regulation and to the complex rules which govern its operation.

Although the organizational and institutional structures have been laid down, these being the Administrative Board, the Committee of Experts and the Direc-

Lezzi

torate, questions relating to the employment of personnel, the installation of the headquarters, and a number of other fairly complex technical and logistic requirements are still in the course of implementation.

As a result it can be concluded that at the level of implementation of institutional tasks, and because of delays in the formulation and then implementation of legal instruments the foundation is not yet fully operative. This is not intended to be a criticism but rather to underline the importance of the foundation within the framework of the European institutions, at the same time inviting it to make every effort to proceed towards the realization of its institutional tasks as speedily as possible and also in due course with a larger staff establishment.

It may seem superfluous, since every one of my honourable colleagues will be aware of them, certainly more than I myself, but I consider it my duty to remind the House of the far-reaching political and institutional objectives endowed on the foundation. These are in fact the improvement of the quality of life in the various aspects of living and working conditions. The declaration of the Paris Summit conference as long ago as 1972 and the social action programme had defined a new target which had raised great hopes for a new model of European development in which the human qualitative element was given greater importance, if not pre-eminence, with regard to purely economic and productive elements. Within this framework the reduction of the physical and psychological burden of work, the development of transport, new relationships between work, school and leisure time, and a more diverse utilization of land represented and represent a first approach to the ensuing problems of the quality of life. And consistent with these tasks Articles 2 and 3 of the 1975 regulation set out indications of what work was to be done by the foundation and how it was to be done.

While acknowledging that economic and social difficulties may have slowed down action towards these objectives at the Community's operational level I can only confirm their importance and the importance which the foundation can and must have as regards carrying them out.

Mr President, ladies and gentlemen, I believe that this explains the reasons for the Committee on Social Affairs' request that the Commission should withdraw its proposal concerning a second deputy Director at the present stage at which the foundation is only just becoming operational and at a time when — in the opinion of the large majority of our committee — it is less appropriate to make a formal assessment of the adequacy of the foundation as a whole to its institutional task.

I would also like to add that the proposal to make one director responsible for questions of living conditions

and the other for questions of working conditions introduces a dichotomy which is not immediately desirable.

The unity of the problems resides as, was pointed out by this Parliament in its resolution of 12 June 1974, in the environmental factor which should constitute the meeting point of problems of the living and working conditions in which man is constantly involved.

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

Mr Meintz. — (*F*) I shall be very brief because I believe that the discussion on the justification of a second deputy directorship for this Foundation should not take up too much time in our Parliament.

The Liberal and Democratic Group entirely endorses the motion for a resolution in Mr Lezzi's report. We are of the opinion that the Commission has not given enough reason for us to agree to the recruitment of a second deputy director for the European Foundation for the improvement of living and working conditions. We also consider that it is improper to present a proposal for an amendment to a regulation, for the creation of a new post since this constitutes a contravention of the budgetary procedure of which we are the proud protectors, especially as this year the publication of the budget for this Foundation has violated this same budgetary procedure.

Although we are greatly interested in this Foundation, we are not prepared to accept the creation of a new post which could prove necessary in the future: the time will come to make this decision in due course. This will probably be the case when we present on behalf of the Committee on Social Affairs, Employment and Education, the report on humanization of work, since this will result in an increase in the Foundation's activities and may justify the creation of new posts.

For the time being, however, we approve the motion for a resolution submitted by Mr Lezzi.

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

Mr Yeats. — Mr President, my group also wishes to support the resolution before us, and we thank Mr Lezzi for the able and comprehensive way in which he introduced this matter, but I think that I should make it quite clear that we do so simply from a technical, budgetary point of view. As has already been said by Mr Lezzi, and again by Mr Meintz, this proposal to deal with this matter through a regulation is not in accordance with correct procedure. It should be done in the budget and indeed one hopes it will be done in the budget for the coming year.

Yeats

On the basic issue as to whether there should be a second deputy director, I and my group are wholly in favour of the proposal. And indeed it is a little puzzling that Mr Lezzi in his report and his committee should have come down so strongly against it, when one considers that in the explanatory statement they say that the committee shares the view that the foundation's work 'would undoubtedly be rendered more effective by increasing its staff'. In the following sentence, they say that 'on closer examination this assumption proves to be the only argument in favour of approving the proposal' I should have thought it was an excellent argument, even if it was the only argument, to say that it will undoubtedly be rendered more effective by increasing its staff. I think there is no doubt about it, particularly in view of the sort of dichotomy that one has in this foundation between living and working conditions. In addition, the creation of a second deputy director would enable a much better balance to be achieved between the three social partners. So I am entirely in favour of the proposal for a second deputy director and I speak on behalf of my group in this, but we feel simply that it ought not to be done in the way it has been done and to that extent we are in favour of the resolution, and we feel that the Commission ought to bring back this proposal in the correct way in the next budget.

However, I do think that of more importance than the somewhat limited question with which we are specifically dealing is the general matter which was referred to in passing by Mr Lezzi, namely the progress to date — or should I say lack of progress — of the foundation. Of course there have been delays, referred to by Mr Lezzi, for various reasons, and speaking as an Irish Member of this House, I regret that the greater part of the delays would appear to have been caused by quite inordinate procrastination on the part of the Irish Government. I would like to put certain questions with regard to the situation to the Commissioner.

It would seem that there were long delays originally in housing this foundation, in deciding upon the site for it. There was a long delay on the part of the Irish Government, who are responsible for this matter, in offering a site. Complete and highly suitable buildings were offered by various local bodies and authorities in the west of Ireland, but for some reason it was decided instead to house this foundation in a very old building near Dublin. I would like to discuss this matter briefly with the Commissioner. These premises are totally inadequate, at the moment at any rate, to the needs of this foundation. They are, I understand, in bad repair. I understand there is not yet even final planning permission, which is necessary for the change of user of the buildings concerned.

I understand that the staff's working conditions are bad, that in a number of cases offices are in an old library and this, mark you, in the case of a foundation

for the improvement of working conditions! there is as yet no conference room, an essential part of such a foundation. There is not even, I understand, any decision as to the precise extent of the site concerned.

There is another matter that I would like to comment on. It would appear that the posts billed for the working of this foundation were not advertised. Now I am not suggesting that there is anything particularly wrong about this. The staff who have been recruited would seem to be excellent, but it appears to be bad practice that posts of this kind should be filled without advertising because, after all, there may well be equally excellent people who would like to have had a chance of applying and were deprived of it. In any event, I understand that even after all this time recruitment is not yet completed.

I would like to ask the Commissioner what they can do to try and remedy these problems and to get the foundation under way at full speed at last. I would like to stress again that there is no reflection being cast on the foundation itself. They have definitely done their best and certainly, as Mr Lezzi has said, they will do excellent work in the future as soon as they are able to get going properly.

Responsibility for the problems that have arisen would appear to lie primarily at the level of the Irish Government and I would urge the Commission to exercise whatever pressure it can to impress some kind of urgency on the authorities concerned, to persuade them to abandon what at present seems a most lackadaisical approach.

President. — I call Mrs Kellett-Bowman to speak on behalf of the European Conservative Group.

Mrs Kellett-Bowman. — On behalf of my group, Mr President, I am able to support Mr Lezzi's motion for a resolution. But I must say I have considerable sympathy with Mr Yeats when he said that as employers we must set an example. Nevertheless, referring to the opinion of the Committee on Budgets, I do entirely agree that we could only reach a different decision if a progress report on the initial activities of the institutions were submitted to us. On those grounds — although I regret to have to differ slightly from my very good friend, Mr Yeats — we do in fact support this resolution.

President. — I call Mr Lange to speak on behalf of the Committee on Budgets.

Mr Lange. — (*D*) Mr President, ladies and gentlemen, I feel bound to speak again because an attempt is being made here to play down a number of things which cannot be played down.

It is not that there have simply been irregularities as regards the publication of establishment plans and budgets, but that this proposed amendment of the original regulation contains no adequate justification

Lange

for the request for a second deputy directorship. And as the Committee on Budgets is responsible for posts and staff, this must be accepted here as an overriding reason. If we are given a corresponding report with an appropriate justification for an increase in posts which is plausible, then the Committee on Budgets will be prepared to discuss it. But as things stand we should avoid creating extra posts if there is no reason for them. This is a decisive point in itself and I would refer again to the letter written by the Committee on Budgets to the Social Affairs Committee, which the Commissioner responsible was also able to read.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission of the European Communities. — (NL) Mr President, I would like to begin by saying that I see why this matter has been brought up in Parliament and indeed the Commission has usually been more fortunate in its proposals than in the present case. This is a heritage from the previous Commission for which we naturally remain responsible. But I consider that the Committee on Budgets is right and that it is going a bit too far to submit a special proposal to amend an existing regulation simply to ensure the appointment of a deputy director. In order to avoid any misunderstanding I would like to explain to all including Mr Lange, that this is not an extra post. What is concerned here is the promotion from A5 to A4 of an official already in service. We are familiar with such cases. The institution requires a second deputy director for the foundation for the improvement of living and working conditions which is established in Dublin.

Then the foundation would have the same number of officials as the Berlin Institute for Vocational Training which also has one director and two deputy directors.

As I have already admitted, however, the procedure is unfortunate. I agree with Mr Yeats that it would be much better to proceed via the normal budgetary procedure. The consideration of the 1978 budget would then be the proper time to take a decision on the matter if the Commission maintains its proposal and if Parliament insists on its viewpoint.

I think then that I could be so free as to request Parliament not to take a decision on the matter at the moment. I promise you that when the budget comes up we shall make a proposal consistent with the wishes of the Committee on Budgets. The matter can then be looked at critically in the course of the normal procedure. If the Parliament then takes a negative decision the situation will be different and we shall have to consider whether we should withdraw our proposal.

I would like to make a few brief remarks in answer to Mr Yeats. I was very fortunate in that the first foreign visit in my new capacity took me to Dublin. I visited the Institution about which we are talking. So I know what I am talking about. I can still visualize the fine park in which the foundation building is situated in a

quiet, rural environment. I must deny that the staff is badly accommodated. Of course various things have to be done to the building. It is true that there are some difficulties with the transfer operation and on behalf of the Commission I therefore urged Minister O'Leary, on the occasion of my visit at the beginning of February, to exert his influence in the matter to expedite the establishment of the formal possession of the house. He promised me his support. It is now May and I would like to avail myself of this opportunity to repeat my request made in February to the appropriate Irish minister to observe a certain urgency in this case.

So much for the observation that the staff is badly accommodated. The accommodation is somewhat provisional but I can tell you that I was in that building myself and when I saw the rural surroundings I would like to tell Mr Yeats what I said at the time — 'if I reach the age of 65, and retirement, then I would like to live here!'. I was very impressed by the surroundings and I believe that it is wrong to say that the staff is badly housed.

Finally, I would like to repeat my request to Parliament that, if the procedure allows, the decision on this matter should be deferred. We shall then make a concrete proposal in the framework of the 1978 budget.

President. — I cannot myself give a decision on that. I must ask the rapporteur whether he agrees to this proposal by the Commission.

I call Mr Lezzi.

Mr Lezzi. — (I) Bearing in mind the remarks which I put forward to the Committee on Social Affairs, I believe that the proposal put forward by Commissioner Vredeling could be considered without further ado. The important thing however, is that the procedural problems should be resolved and that this Parliament should have a report on the activities of the Foundation, whose development we continue to call for. When we talk of development, of course, this refers also to the need to put at the Foundation's disposal enough staff to advance the tasks which it has to fulfil, which are so important for mankind.

President. — Mr Lezzi therefore agrees in principle that no vote is taken on this motion for a resolution. I call Mr Lange.

Mr Lange. — (D) Mr Vredeling's proposal is naturally unusual but why should we not take an unusual course for once — in that case however, Mr Vredeling must make a binding statement to this House that the Commission will insist that the Council should not act on this proposal. If this guarantee cannot be given, this House must take a decision: otherwise we are able to agree that the report put forward by Mr Lezzi should be suspended along with everything connected with it.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) I thank the rapporteur for his helpful attitude and I believe indeed that we will have to take an unorthodox step here in view of the unusual situation in which we find ourselves.

Mr President, I can promise Mr Lange that we shall inform the Council of the fact — let me just formulate it properly — that Parliament has not delivered an opinion on this matter. If we do this the Council cannot make a decision, as Mr Lange well knows.

So on the basis of this proposal, Mr President, we can now hold the matter in consideration. I therefore record that, partly on the basis of my suggestion, Parliament does not wish to deliver an opinion at this stage but wishes to wait for our proposal in the framework of the budgetary procedure.

President. — The House is therefore agreed that the vote on this motion for a resolution will be held over, pursuant to Rule 32 of the Rules of Procedure.

11. *Frauds and irregularities relating to the common agricultural policy*

President. — The next item is the report (Doc. 88/77) by Mr Cointat on behalf of the Committee on Budgets on

measures to combat fraud and irregularities relating to the common agricultural policy, with reference to the third report by the Special Committee of Enquiry on beef and veal.

I call Mr Lange.

Mr Lange, chairman of the Committee on Budgets. — (D) Mr President, ladies and gentlemen, once again I have to stand in for one of our rapporteurs who is prevented from being present. I would like to be very brief.

The Committee on Budgets and the Committee on Agriculture agree in this matter. There were no divergent opinions or divergent positions within the committees. We are all convinced that possible irregularities or possible fraud should be prevented and that the Member States should exclude the possibility of such frauds or irregularities occurring in the future by concluding appropriate agreements on the simplification of administrative procedures and also agreements on joint controls.

I would recommend my colleagues to give careful study to the report by Mr Cointat. It would otherwise be possible to speak for an hour on the matter if we wished to consider this fully once again. At the same time I would recommend you to read attentively the opinion of the Committee on Agriculture which is attached to this report. As the two committees are in agreement and the committee responsible approved

this report unanimously, I would also recommend this House to adopt the motion for a resolution contained in the report of my colleague Mr Cointat.

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

The resolution is adopted.¹

12. *Directive on the modernization of farms*

President. — The next item is the report (Doc. 79/77) by Mr Laban on behalf of the Committee on Agriculture on the

proposal from the Commission of the European Communities to the Council for a directive amending Directive 72/159/EEC on the modernization of farms.

I call Mr Laban.

Mr Laban, rapporteur. — (NL) Mr President, I would like to introduce this report. On 17 April 1972 the Council established three structural policy directives including one on the modernization of farms. This directive creates the possibility of granting farmers who do not yet enjoy an income comparable with the income of a trained industrial worker in the region where the farm is established temporary investment aids, in as far as the farmers in question do not qualify for payments in connection with cessation of farming which is dealt with by one of the other directives. The temporary aid was to be paid for a period of five years. This period therefore expired on 17 April. After this period the Council was to undertake an assessment of the results of this scheme, on a proposal from the Commission. The Commission reports once a year on the overall agricultural structural policy to the Council and Parliament.

The object of the Commission's present proposal is to combine the assessment of the results of the scheme with the general survey. Consequently the Commission believes it would be appropriate to extend the temporary aid until the end of this year.

We know that in the framework of the general assessment of the results of the structural policy there is every possibility of extending or amending the temporary support system. Parliament can take a decision on this in July. The Committee on Agriculture has considered this matter. The representatives of the Commission have provided a number of extra details. The present report is in fact a typical example of a report which has been amply studied by the Committee on Agriculture and adopted by the largest possible majority, with only one abstention. It is therefore a typical case where the parliamentary phase could take place without debate. I would therefore like to request Parliament to accept the standpoint of the

¹ OJ C 113 of 6. 6. 1977.

Laban

Committee on Agriculture without further debate so that we can help to ensure that Mr Martinelli has enough time to present his report here today.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, Directive 72/159 introduced a system of investment aids for farms after completion of a development plan to produce a level of earned incomes comparable to that received in non-agricultural occupations of the same region. Because of the selectivity introduced by the directive, Member States were authorized by derogation and for a period of five years, to grant investment aids to farmers who could not reach the modernization objectives and who are not eligible for the retirement annuities provided for by Directive 72/160 concerning measures to encourage the cessation of farming, and the re-allocation of farmland for the purposes of structural improvement. The authorization in question is provided for by Article 14 (2) of Directive 72/159. Some Member States have made use of this authorization and currently grant aids. The five-year periods specified in the article terminated on April 17 last. Five years after their adoption, the three structural directives of 1972: Nos 159, 160 and 161 must be re-examined by the Council on a proposal from the Commission. This re-examination is being carried out this year. The occasion for this re-examination will be the submission by the Commission to the European Parliament and to the Council of its annual report on agricultural structure policy. This report, the second one, is due before 1 August next.

The Commission is of the opinion that the derogation provided for in Article 14 (2) (a) of directive 72/159 should be prolonged to cover the period during which the re-examination of the three directives takes place in the European Parliament and in the Council. This would allow the Member States who use the authorization, to continue doing so for a further temporary period. If this is not done, a situation would arise in which a part of directive 72/159 would be dropped, even while the directive as a whole was being re-examined. This is the background to the Commission proposal, which is to extend the provisions of the article in question until December next.

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

The resolution is adopted.¹

✓ 13. *Italian control of currency in cash form*

President. — The next item is the oral question with debate (Doc. 77/77) on behalf of the Committee on Economic and Monetary Affairs to the Commission of the European Communities on Italian control of domestic and foreign currency in cash form:

¹ OJ C 113 of 6. 6. 1977.

On 8 July 1976 the European Parliament debated the effects on integration policy of the Italian control regulations concerning domestic and foreign currency in cash form on the basis of an oral question by the Committee on Economic and Monetary Affairs to the Commission (Doc. 195/76).

The Vice-President of the Commission, Mr Haferkamp, explained, *inter alia*, that in the Commission's view the application of control measures should cause as little disturbance as possible to free movement into Italy. The Italian authorities had, moreover, reported at the end of June that official inquiries would be initiated into the possibility of errors having been committed in the control and confiscation of currency. It was agreed, furthermore, that the sums confiscated would be returned to their owners except where attempted fraud could not be ruled out.

The Commission is asked to inform Parliament of the results of the inquiries instigated by the Italian authorities.

Mr Burke, Member of the Commission. — Mr President, the European Parliament's Committee on Economic and Monetary Affairs has addressed to the Commission this oral question with debate on the rules in force in Italy on the control of domestic and foreign currency movements.

As the Commission stated in its reply on 8 July 1976, in answer to oral question 36/76, the rules applying in Italy on currency movements may be summed up as follows: Not more than 35 000 lire may be imported into Italy. Foreign currency in cash or securities may be imported without restriction. This foreign currency may then be changed into lire. The export or re-export of foreign currency equivalent in value to more than 200 000 lire is not allowed. However, non-residents may re-export, without any restriction as to the amount, any foreign currency imported into Italy and subsequently not used, provided that they had declared the sum on the appropriate form — form V2 — when entering Italy. The following may also be re-exported without any previous declaration having been made: petrol coupons, letters of credit, bank cheques, travellers cheques, eurocheques and cheques denominated in lire and issued abroad, etc.

Administrative and penal sanctions are provided for where these rules are infringed. As regards this question, the Italian authorities emphasize firstly that the complaints in question relate to the period when the currency-control regulations were first introduced, and that these new regulations had not yet been given all the publicity that would have been desirable. The Italian authorities are emphatic that appropriate measures were taken subsequently to ensure that foreign tourists were informed of the rules on importing and exporting currency in Italy, and that the V2 form was available for declaring imports of currency.

Burke

No other complaint has been brought to the Commission's notice since the case in question. With regard to the details of the complaint, and the results of the enquiry into the cases by the Italian authorities, information provided by the Italian authorities may be summarized as follows: Three of the tourists were taken to court, in accordance with the provisions of law No 159 of 30 April 1976, and their currency was confiscated. Two of them were subsequently acquitted by the Bolzano tribunal on the grounds of insufficient proof. The sums confiscated were returned to them. The tribunal imposed a fine on the third tourist, who launched an appeal. The sums illegally held by the other tourists were not 'confiscated', nor were the tourists taken to court. The sums were deposited with an Italian bank, and the cases were referred to the Italian Exchange Office.

Although the tourists were found, upon leaving Italy, to be in possession of sums which exceeded the amount allowed, and which had not been declared when entering Italy, attenuating circumstances, such as insufficient awareness on the part of foreign tourists during the initial period after the foreign exchange regulations had been introduced, and the fact that there were no proper interpreters, have been taken into account, so as to make application of the regulations as flexible as possible, in accordance with the wishes expressed by the Commission. Thus, all the sums confiscated from the tourists have already been returned or are in the process of being returned. In the latter case, the sums in question have already been freed, and the owners will be able to withdraw them from the bank with which they had been deposited.

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

Mr Zeyer. — (D) Mr President, ladies and gentlemen, the Commission's reply is unsatisfactory. I believe it overlooks the fact that this question has several different aspects. I must, first of all, point out that the currency provisions promulgated by the Italian Government represent an obstacle to the freedom of movement of goods and capital. Unfortunately, the Commission says nothing in its reply about whether and to what extent it has examined this question and whether it is of the opinion that it should urge a dismantling of these provisions. I think that in considering this question we should bear in mind the letter as well as the spirit of the Treaty.

Secondly the Commission, in the form of Mr Haferkamp, claimed in its first statement on this question in Parliament in July last year, that the Italian authorities had agreed to return the confiscated amounts to their rightful owners. It is now being said that this has happened in most cases, although the Commission admits in its reply that in some cases it has not, and I learn from a communication from the ADAC

(German Motoring Association) that in a number of cases the people concerned are still waiting for refund of their money. I can only hope that this refund will be implemented soon and I request the Commission to do everything it can to ensure that it is effected.

Finally, I believe that the Italian Government itself has the greatest interest in ensuring that tourists do not run the risk of having their money confiscated when they leave the country, since the Italian Government is naturally very keen that a large number of tourists should find their way to Italy this summer. We are now at the beginning of a new tourist season and I believe that tourists should be given much clearer information about currency provisions. And anyone who inadvertently tries to take out amounts exceeding the minimum amount should not be exposed to the risk of having these amounts confiscated.

In conclusion, citizens who are subject to exit controls should not be exposed to pressure by the authorities carrying out these controls. This has unfortunately been the case, as ADAC reports show. We believe that the Commission should look at this matter again and should in due course report to the committee and possibly to Parliament once again.

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

Mr Nyborg. — (DK Mr President, the question concerning Italian control of currency movements raises a number of very general problems. First and foremost, it must be considered an obstacle to businessmen and tourists if Italy lays down such strict provisions that the traffic flow over the Italian border is hindered or, if the worst comes to the worst, even stopped. I realize full well that a single Member State, in this case Italy, may have such great economic problems to contend with that it may be necessary to take strict national measures to overcome the difficulties. But at the same time it should not be forgotten that such measures can cut two ways, especially in respect of the tourist industry, since Italy can hardly be interested in cutting down the number of tourists visiting Italy, simply by introducing rules to curb or complicate activities which are unrestrained in other countries.

A second more general aspect of currency restrictions is that they prejudice the free movement of goods, services and capital within the Common Market. Mr Haferkamp, who represented the Commission at an earlier debate in Parliament on this subject, assured us that there was no reason to believe that the Treaty provisions had been breached in connection with the laying down by the Italian authorities of provisions on currency movements. But the way in which the provisions are administered has clearly provoked several complaints. In view of this it should be borne in mind

Nyborg

that unilateral legal measures — however necessary they may be from a national point of view — should be considered from a Community viewpoint to ensure that they do not produce protectionist tendencies which may damage the Community in the long run. In principle no obstacles should be created to movements in the Common Market and any disturbances should be kept to the minimum.

The Commission's reply on the Italian authorities' investigations into possible mistakes relating to the control and confiscation of currency is awaited with great interest — what we have in mind here is an extensive answer which would be more comprehensive than the one we have received from the Commission today.

For the sake of completeness allow me to finish by saying that various Members of Parliament were told at the last meeting in Rome that they could not change Italian lire into other currencies, and this could have caused inconvenience for some of us. And again for the sake of completeness I should add that things are rather the same here in France, where although one can exchange foreign currencies into French francs the reverse process is only possible with the greatest of difficulty. I hope that the Commission will look into this question and I hope also that Parliament's administration will make it easier for Members to travel in these countries by ensuring reasonable conditions of payment for Members.

(Applause)

President. — I call Mr Lange.

Mr Lange. — *(D)* Mr President, Ladies and Gentlemen, Mr Commissioner, the reason why the Committee on Economic and Monetary affairs has tabled this question is to be found in the manner in which tourist who are alleged to have contravened Italian laws are treated. These tourists have been treated like criminals or gangsters.

On this, Mr Commissioner, the Commission has nothing to say in its reply. Of course the Italian authorities will hardly admit that they have led people away in handcuffs and that they have threatened people as if they were criminals, (with revolvers) and thereby provoked them into criminal behaviour. This is a matter which is not to be tolerated under any circumstances. And can somebody tell me whether there is a Common Market and the dismantling of frontiers within the Community etc., etc.

I believe that here the Commission must make more serious efforts to look into these matters; I greatly fear, Mr Burke, that the replies given to you by the Italian authorities, although I don't know what they were, were more than unsatisfactory since we ascertain — and I would like to give a single example which is not in the same category, namely the help given by

the Community for the victims of the Friuli earthquake — that authorities in the country concerned have worked against each other and not with each other. One authority is unaware of what another is doing. The same may be true here, and if it is I believe that the Commission should look into matters more carefully.

It is not simply to pass the time of day that we are asking what happened and why tourists are being treated in this way. If they are criminals, alright, they should be treated like criminals. Only all the cases which are known to us, and the people who have complained to us and to the Members of this House are, in my opinion and in our opinion, not in the criminal category. This is something we should put on record.

Then we have a further basic question which has already been raised in part does the Commission consider that this Italian legislative practice of cash controls is consistent with the Treaties? Various other currency controls which the Italian Government has introduced in the past have been abolished. Only this control of cash carried by tourists has been maintained.

Do you know what this reminds me of, Mr Burke? It reminds me of those times when travellers from the Federal Republic of Germany and from the West, in transit through the Federal Republic, had to declare to the control authorities of the German Democratic Republic when crossing the internal German frontier what they were carrying in the way of ready money and such like. And I believe, Mr Burke, that no democratic state should be allowed to do things which a dictatorship can. And nobody can tell me that the cash carried by tourist can endanger the currency situation or balance of payments of Italy in the manner implied by Italian authorities in their legislative, administrative and legal measures.

I would therefore ask you, Mr Commissioner, to pursue this matter and in due course report back possibly to the Committee on Economic and Monetary Affairs so that we can then decide whether we wish to discuss the matter again here. I also believe that you should raise the matter in the Council of Ministers to encourage the Council to create equal treatment of all citizens of the Community, even as tourists, in the individual countries.

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — I regret, Mr President, that because of a misunderstanding I was unfortunately not able to be present at the start of this debate and I do apologize to those who have spoken, including the Commissioner. I wanted to make a point which, I think, perhaps is valid in itself because it is a general point which arises out of this particular question of the Italian currency restrictions.

Rhys Williams

I feel we have to be sympathetic with the Italian Government in its difficulties with the pressure from within Italy to take currency out by speculators, who perhaps are very ill-advised; there has been undoubtedly an attempt to evade the regulations by people who were exceedingly anxious to take the currency across the frontier. This has created an unnatural and highly undesirable situation, but we do have to sympathize with the Italian Government.

The conclusion I think we can draw in particular from this difficulty is that the controls imposed on the natural movement of market forces very often create their own demand to break the control. If the controls were not so rigid, the pressure of movement against the system might not be so strong. People would have more confidence that they could retain their currency in one particular form of paper, if they did not think they were in danger because of the way the controls are applied. If we could perhaps work towards a freer system of movement of currencies within the Community, on the way to an ultimate economic and monetary union, I believe we should find the illegal pressures would die down.

I believe I am right in saying that this was certainly the experience in France when restrictions were relaxed there some years ago. The pressure to break the restrictions was found to have been artificial all along and the movement of currencies was not so frightening when liberalization was allowed. I think this is certainly true in sterling as well. The Bank of England for very many years has operated an extremely tight and efficient system of control over capital movement and currency movement and I believe that we might well find that we could relax these rules without causing an avalanche. I think that we do need to bring pressure to bear, not just on the Italian Government, but on all the governments of the Member States to work towards a currency union in the proper sense.

I have often drawn attention, and I think this is the right moment to draw attention again, to the fact that an economic and monetary union does not simply rest on exchange rates being stable. We have to stabilize the other factors as well and if the market forces deny us equilibrium, for instance in interest rates, between one centre and another, then market forces will have to be defied by controls and human nature will defy the controls and we shall find ourselves back in the situation that the wretched Italian Government finds itself in.

I think we need to place much more emphasis on the establishment of a free capital market in the Community. I do not just mean the freedom of movement of paper currency in suitcases or in the backs of cars. I mean real movement of funds for genuine investment. We must see a harmonization of interest rates: we must see complete exchanges of securities between

the different bourses. People with funds in Germany in Italy, in Britain, in Holland must feel that at any moment they can move their capital for investment purposes from one quarter of the Community to another and that they will not run into restrictions or barriers of any kind. At the moment the central banks, and the Commission too, are so orientated towards the problems of the day-to-day movements of foreign exchanges, even hour-to-hour or minute-to-minute variations in the major exchange rates, that they forget about the fact that we are making no progress at all in harmonizing the capital market of the Community. I think that we have to call on the Commission to make a change of aim here and if we do that, then we shall find that we leave behind altogether the sort of problems the Italian Government has encountered and which have given rise to this question.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — I would like honourable Members to place this matter in perspective. There were 8 millions tourists who passed through the Brenner Pass: of these, complaints were received in respect of ten. This is just to put it in proportion.

Secondly, may I say that I agree with the approach of the last speaker, Sir Brandon Rhys Williams, in the two major points he made. One, that we must have a certain sympathetic attitude towards the difficulties in which the Italian Government finds itself. After all, we are a Community, and it is within that spirit that we approach these matters. I agree with him fully that if the matter, were seen in the context — the overall context of European Economic and Monetary Union — then the particular problems that have arisen in this case, as he suggests might no longer arise. I agree with him fully that taking off the regulations in this matter would in certain senses remove the pressures.

I would like specifically to reply to Mr Zeyer on his first point, in which he asked me about the compatibility with the Treaty of the matters with which we are concerned. Now as far as compatibility with the Treaty is concerned, the rules applying in Italy should not be seen as *ratione materiale* being contrary to Community rules and the free movement of capital. Community rules provide for the liberalization of movement of such capital as is necessary for commercial transactions and financial operations.

I think this answers one part of Mr Nyborg's supplementary question, when he asked me whether this applied to merchandise. Merchandise, I would like to inform the House, is totally free of these restrictions, because payments are made through banks.

May I also say, in reply to the other points raised by Mr Zeyer, that the Commission would in fact be very

Burke

vigilant to see that any sums taken from tourists which have not already been returned will in fact be returned.

I would like to emphasize, though, to Mr Nyborg that this is a question of control of tourists, not a question of control of merchandise.

I was interested in the other points raised by Mr. Nyborg, when he made reference to other countries: I can assure him that the Commission will look into these matters and will communicate informally with him with regard to what it finds in these countries.

May I say generally about this matter that Sir Brandon Rhys Williams, as I have said, has struck the right note. We must have a sympathetic attitude towards the difficulties in which a Community government finds itself, while at the same time being vigilant to see that the Community regulations are, as far as possible carried out.

I would like to thank all those who have contributed to the debate, and to say that this has highlighted a very interesting aspect of Community operations. But at the commencement of my remarks I gave you the figures: 10 cases out of 8 million. It is not a major problem; it has to some extent been exaggerated; but it is good that we have had the opportunity of discussing it.

President. — This item is closed.

14. *Directive on turnover tax in international travel*

President. — The next item is the report (Doc. 68/77) by Mr Notenboom 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 on the harmonization of provisions laid down by law, regulation or administrative action relating to the rules governing turnover tax and excise duty applicable in international travel.

I call Mr Van der Mei.

Mr Van der Mei, deputy rapporteur. — (NL) Mr President, as Mr Notenboom is absent I have been asked to take on his task as rapporteur, a request with which I gladly comply. The matter under debate is the harmonization of provisions laid down by law, regulation or administrative action relating to the rules governing turnover tax and excise duty applicable in international travel. This is both a somewhat technical matter and a matter of importance for the citizens of our Community. The Commission proposes an increase in the duty-free allowance for travellers crossing frontiers within the Community. What are the reasons for this?

Two arguments are put forward in favour of this increase: firstly, that of general price increases in the

course of time which have reduced the value of exemptions in real terms. Secondly, the replacement of the unit of account used hitherto by the European unit of account. The consequences would be namely that in most Member States there would be a reduction in the amount exempted. For these two reasons the amount of the duty-free allowance should be increased.

The motion for a resolution tabled today by the Committee on Economic and Monetary Affairs proposes that this directive should be approved, and that we should agree to the replacement of the unit of account used hitherto by the European unit of account with annual adjustment of the exempted amounts in line with a Community index and with the annual review of the conversion into national currencies of the exempted amounts as expressed in European units of account.

The importance of this somewhat technical adjustment is that exemptions from duty and excise charges naturally facilitate travel. This of course has its attractive side for the citizens of our Member States. And it is something which should not be under-estimated. Of course it will make them more aware of the existence of the Community, a Community which is expanding in some respects and which could thus be made more real in the minds of the people. If we are to give real shape to the Community, its existence should be reflected as far as possible in the everyday life of citizens, an everyday life in which travelling has become an increasingly important element. This exemption from tax and excise duty in intra-Community travel will contribute to this.

But at the same time we must not over-estimate the significance of these measures. An exemption of this kind is after all an expression of existing imbalances in the taxation and duty systems of the Member States. Or in other words this measure, which will no doubt be welcomed by the European citizen as such, will only give the illusion of the existence of a Common Market.

So the present directive should not divert our attention from the fundamental problem of the harmonization of turnover taxes and excise duties. More energetic efforts should be made to achieve such harmonization so that it will help to bring about the necessary strengthening of the Community. Only in this way will it be possible to record real progress with our Community.

Two remarks to finish with. The quantitative restriction on duty-free imports of non-sparkling wine is to be increased from 3 to 5 liters. The Committee on Economic and Monetary Affairs believes that it would have been better to begin by harmonizing the excise duties and turnover taxes on non-sparkling wines especially as in recent times the excise duty and turnover

Van der Mei

tax rates of the various Member States have tended rather to diverge than to converge.

The Committee on Economic and Monetary Affairs also regrets that the third proposal for a directive on tax-free shops has been withdrawn. I requests the Commission to submit a new proposal on this matter.

The elements which I have referred to are to be found in the motion for a resolution adopted by the Committee on Economic and Monetary Affairs with a large measure of unanimity. I would ask the Members of this House to adopt this motion for a resolution with the same large measure of unanimity.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, I would like first of all to thank the rapporteur for the clear and comprehensive report which he has presented and for the constructive attitude which he proposes Parliament should adopt in relation to the Commission's proposal.

The practical importance of the tax exemptions granted to travellers in intra-Community travel, frequently underlined by this Parliament, has led the Commission to put forward a new proposal aimed at increasing and improving the system of exemptions on the one hand by establishing them on the basis of the European unit of account, and on the other hand by insulating the exemptions against a deterioration in purchasing power.

I cannot agree with the rapporteur when he says that these exemptions in themselves create for the European citizen no more than the appearance of the existence of a common market. Permit me, on the contrary, to point out that in practice they allow intra-Community frontier checks to be simplified and allow the reduction, if not the abolition, of the intensity of these checks, as far as taxation is concerned. To this extent it could be argued that tax exemptions granted to travellers constitute an anticipated achievement of the final objective of the harmonization of indirect taxes, which is, as you know, the elimination of fiscal frontiers.

I should like to underline the fact that this proposal was prepared at a time when discussions on the sixth VAT Directive were taking place. As Members of the House will know, we had a considerable success recently in getting this text adopted by the Council. This shows clearly that the Commission never lost sight of the fundamental problem of the harmonization of turnover taxes.

You will permit me to add that, from an economic point of view, tax exemptions can play an important role in the fight against inflation in the Community. Large price disparities exist between Member States for identical or similar products. The development of the opportunities available to consumers to buy where they want to, particularly in other Member States in

the Community, is, in a certain sense, a fight against inflation. This opinion was shared by the Council of Ministers when, as is shown in this decision of 14 March 1977 adopting the fourth medium term economic policy programme, they assented to this view also.

The Commission shares the opinion of the rapporteur, for whom the harmonization of excise duties applicable to still wines would be preferable to an increase in the quantitative exemptions. The increase of quantitative exemptions in the case of wines is, however, dictated by two considerations. The proposals for harmonization of excise duties have been presented to the Council. They have, however, neither been discussed nor adopted by the Council organs. There is a wide disparity between the levels of rates applied by the Member States, both in relation to excise duties and to VAT. We cannot yet envisage a reduction in the difference between rates. The Commission has therefore proposed a more modest and a more realistic step, limited for the moment to wine. It reserves the right, however, to present new proposals in the same direction for other products subject to low rates of excise duty.

Finally, on the question raised about tax-free shops. The legal situation of tax-free shops is regulated in principle by Article 6 (1) of the 1969 Directive, which obliges Member States to take measures to avoid granting tax remission on deliveries to travellers, but they can benefit from import exemptions. The proposals presented by the Commission in 1973 to deal with this problem in detail had to be withdrawn in the face of opposition by the Member States. It is clear that the increase of exemptions makes the problem of tax-free shops more acute, and that a Community solution is necessary. In the absence of such a solution, we run the risk of an area which is sensitive, as far as public opinion is concerned. The firm support of the European Parliament will be to allow us to arrive at a satisfactory solution. And I am appealing to its Parliament to give us this firm support.

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

The resolution is adopted.

15. Regulation on the additional protocol to the EEC-Israel Agreement

President. — The next item is the report (Doc. 67/77) by Mr Martinelli on behalf of the Committee on External Economic Relations on the

draft regulation of the Council for the European Communities concluding an additional protocol to the Agreement between the European Economic Community and the State of Israel and a financial protocol.

I call Mr Martinelli.

¹ OJ C 113 of 6. 6. 1977.

Mr Martinelli, rapporteur. — (1) In 1975 an agreement was drawn up between the Community and the State of Israel which came into force on 1 July and had as its general objective the progressive realization of freedom of trade in the industrial sector and import concessions for a certain number of agricultural products originating in Israel.

One new element at the time was the provision in the agreement for cooperation, but as a complementary factor to trade. This agreement was drawn up before the cooperation agreements with the three Maghreb countries which were to be signed almost a year later in 1976.

I would like, however, to underline that the agreement marks the beginning of the realization of the Community's Mediterranean policy designed to strengthen the bonds of cooperation with all the Mediterranean countries. The European Parliament approved the agreement in December 1975, pointing out that the so-called 'growth clause', incorporated for the first time in an agreement drawn up with the Community would make it possible to extend reciprocal relations between the Community and Israel: it was to this end that Parliament requested the Council to take an early decision on the Commission's recommendation to conclude in due course an additional protocol with Israel on economic and financial cooperation between the two parties. On the basis of this vote by Parliament, the Council and Commission proceeded to negotiate the additional protocol and the financial protocol before us today, which constitute a further notable step forward in relationships between the Community and Israel. The new protocols are intended to extend and reinforce the cooperation already instituted, indicating a number of sectors in which Israeli industrialization is to be fostered by the development of exports. But the list of sectors is wider: it includes protection of the environment and cooperation in the agricultural and fisheries sectors, to achieve a certain level of complementarity between the economies.

Now, it is the extended application of the growth clause which has led to the widening of relationships between the Community and Israel. In the 1975 agreement the growth clause referred exclusively to trade, whereas it now extends to all industrial cooperation, since agreement was drawn up on the basis of forecasts regarding exports from Israel to the Community which have not been fulfilled.

There has been an increase, but only of 7.5%, while exports from Israel to other countries increased by 7.2% in the first year. Taking account of inflation this represents a reduction rather than an increase.

The financial protocol lays down that the European Investment Bank will make available to Israel a total amount of 38 million units of account. With this

money the Community will participate in the financing of projects and other operations, the aim of which is to contribute to the economic development of Israel.

I should underline that these are loans under normal terms and nothing more; in contrast — if I may be allowed to digress — the provisions in the financial protocols concluded with the Mashreq countries specify much larger loans and other forms of financial assistance, interest subsidies and special loans and gifts. But in granting financial aid the Community had to take account of a number of economic facts which I will sum up briefly. And I shall sum them up because Israel, through its Foreign Minister, has declared that the amount set aside for financial cooperation is inadequate, justifying this claim by the fact that Israel has a considerable balance of trade deficit with the Community. This is clear from the figures for the first nine months of 1976: Israel exports to the Community: 623 million dollars; Israeli imports from the Community: 1 165 million dollars. But there are other circumstances to be considered: the average per capita income varies between the Mashreq countries and Israel in the ratio of 1 to 9 while at the same time the ratio of the number of people in the Mashreq countries to the population of Israel is 14 to 1; the ratio between the different territorial areas is 60 to 1 and as for the negative balances of payments of the Mashreq countries, it would be better not to mention these at all.

This all goes to explain why the Community has accorded nine times as much financial aid to the Mashreq countries as to Israel. But this does not prevent us from examining in depth the import/export situation with Israel as repeatedly put forward by the Israeli authorities on the occasion of a mission undertaken by the European Parliament in October, if I remember rightly, and led by President Spénael.

We do not yet have complete figures for 1976 and we must note that there is now total exemption from customs duties and equivalent charges on imports into the Community of industrial products originating in Israel. But despite this development we must remember that the deficit on the Israeli balance of trade with the Community is still very appreciable and the desire for the 3.5 million Israelis to increase their exports to a market of 250 million Europeans, who in 1975 absorbed 37% of their exports (worth 732 million dollars) while exporting to Israel goods worth 1 947 million dollars, that is to say 50% of all Israeli imports, seems to me quite understandable. So we should not judge Israel's request for help with the improvement and extension of its industrial structures as excessive, but we should take account also of the enormous amount of imports (50%) which Israel takes in the form of EEC industrial products.

Martinelli

I wish to comment briefly on the particular features of the agreement. There are the organs which are to supervise their operation: the new protocols make the Cooperation Council — which replaces the Joint Committee — responsible for seeking ways and means of establishing cooperation. This is a very wide concept which gives great latitude of action to the council, which includes not only representatives of the Community and Israel but also representatives of the Member States and represents a formula similar to that provided for in the agreement with the Mashreq countries but wider than the Council of Ministers provided for in the Maghreb agreements.

The protocols are subject to ratification and come into effect on the first day of the second month following the date on which ratification is notified; but with respect to their duration a controversy has arisen which, in my opinion, the Community organs have resolved intelligently: like the Mashreq countries, Israel did not wish to follow the Commission's proposal to give the financial protocol a duration of five years from the date of entry into force and requested that this period should be reduced. The Council decided, as a general rule both for Israel and the Mashreq countries, to fix the date on which the financial protocol is to expire at 31 October 1981, in other words on a fixed date — independent of whether the various countries ratify the protocols quickly or not — a date which coincides with the expiry of the financial protocols with the Maghreb countries. In this way it will be possible to adopt on this date instruments for all seven of these Mediterranean countries.

The motion for a resolution takes account of the points I have made and notes Parliaments' satisfaction at the fact that protocols have been concluded in line with Parliaments' own recommendations. I would like to take this opportunity of recording particular recognition of the work carried out by Commissioner Cheysson.

The third paragraph of the resolution requests the Commission to keep Parliament informed of progress made with regard to the envisaged cooperation: and there is implied in this paragraph Parliament's readiness to ensure that the agreements do not remain solely on paper.

In the fourth paragraph Parliament underlines the particular importance of the exchange of technical knowledge in the agricultural and industrial spheres between the Community and Israel to their mutual advantage. This is one of the points which was continually raised in the exchange of views held during the official visit of the delegation from the European Parliament to Israel.

The sixth paragraph may seem to be no more than a gesture of courtesy, supporting the Israeli request to institute a permanent Commission delegation in Israel, but this is not so. Although we cannot overlook

the difficulties of acceding to such requests in view of the fact that Egypt, Jordan and Syria have also presented similar requests, and in view of the comments which our respected colleagues on the Committee on Budgets will presumably express from the point of view of increase in expenditure, we cannot presume that this argument on its own will settle the problem satisfactorily. Israel, for instance, notes that the delegation will be a very important instrument in the implementation of the agreement; it is not absolutely true to say that we only have delegations in the larger countries since we also have one in Chile. Nor should we only sign agreements, we should also put them into practice in countries where there are great financial, economic and social problems and the institution of a delegation in each of these countries would certainly make an important if not indispensable contribution to the implementation of the policy envisaged in the agreements.

I would conclude by inviting Parliament to approve these protocols which extend the sphere of action of the first agreement and which are to constitute an important foundation of this grand overall policy of cooperation with all the Mediterranean countries which we are in the process of putting into practice.

(Applause)

President. — I call Mrs Dunwoody.

Mrs Dunwoody. — Mr President, I am delighted to take part in this debate because apart from anything else, this is in fact one of the most important protocols that we have debated in this Assembly for a long time. I am deeply distressed that we should be doing so in a very empty chamber indeed. Given the considerable problems that we have had during this week, I am perfectly prepared to believe that many of my colleagues with a dual mandate have got very considerable difficulties with being in two places at one time, but I would nevertheless like to put on record that I am astonished that there should be only one member of the European Conservative Group present, and hardly any of my own colleagues of nationalities other than the British, although I am delighted we have some German colleagues present. I believe that if we are to talk about what after all is practically the only democratic state in the Middle East and if we are to talk about the political implications of the Financial Protocol, then we should do so in a full Assembly with Members who are aware of the political implications of this subject.

The EEC now has completed a number of protocols, a number of agreements with the Mashreq and the Maghreb countries, but it is still true that Israel is closest to our understanding of a democratic state, and that it is a country which has a consistent and very meaningful association with the countries of the Common Market. For example, Israel is in an almost

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permanent deficit position in relation to her economic agreements with the countries of the EEC. She has within her very tiny borders a wealth of both research and scientific ability from which we could benefit tremendously, and there is, I believe, a great field in which we could enjoy a two-way traffic.

I would like to ask the Commission, if I may, a number of questions. We have, inside the EEC, very specific undertakings about any aspect of financial trade which in any way inhibits commercial relationships between one state and another, or between one company and another. What is the attitude of the Commission towards the maintenance of an Arab blacklist on which there is a number of names of working companies inside the EEC, with the suggestion that if they trade with the state of Israel, they should not in any way be supported in their trade with other Arab countries? What is the attitude of the Commission towards the expansion of trade with Israel? I was very honoured to take part in the delegation that went to Israel, but one of the very noticeable things that we discussed on that occasion was that Israel, in many instances, turns towards Europe for her commercial expertise and I think has a right to expect that we should seek to offer her not only technical assistance, but very considerable financial assistance. Very considerable discontent has already been expressed with the size of the offer of financial assistance that is being made by the Community, and indeed when you look at the overall trade balance it is extraordinarily niggardly; when you look at it in relation to the existing trade arrangements with the Arab states, then it is even more extraordinary that this is the very best that we can do. I hope the Commission will have a number of very definite statements to make when they come to comment on the debate.

Finally, may I compliment Mr Martinelli on this report, which I think is not only very exhaustive, but also exceedingly constructive. Sometimes inside a Community which is largely dominated by an agricultural element, we seem eternally to be discussing matters of politics in wholly negative terms. I really welcome the very positive tone of this working document, which I think is a tremendous contribution to the general political discussion of the whole problem of Israel and its relationships with the Common Market.

May I just say Mr President how much I look forward to an expansion of trade between Israel and the EEC. I believe that it is in the interests of all democratic socialists to support a state which has for very many years existed on the basis of universal suffrage and of a very specific attempt to bring stable government to an area which is not noted for its deep involvement with, or even, on occasions, its understanding of the democratic principle. I welcome this report, I welcome the efforts that are being made by the Commission, I shall

look forward to seeing the work of the joint committee between the Israelis and the EEC producing some very practical results. But I do hope that I may put the Commission on a certain amount of notice that this is a step in the right direction, but it must not just be a gesture. If there is to be any real balance between our relationships with Israel and our relationships with the Arab states, we must understand that there is not just a political involvement, there is an economic, and a commercial involvement and there is, indeed, I believe in many instances, a very specific reason for seeking to develop these particular aspects of our policy.

In conclusion, Mr President, I welcome this report. I welcome the opening of constructive relationships with Israel, and I trust that this will be the first of many debates that we have in this House — but debates which can, in the future, report many more practical results than we are able to produce at this particular time.

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, my friend and colleague, Gwyneth Dunwoody, has drawn attention to the numbers that are present, and as I had something to say on this subject at lunch-time after the consideration of your own very important report, which some of us sat through and listened to, I will say no more on that, other than that, Mr President, some of us feel that you and others have put in an enormous amount of work into the report.

(Cries of 'Hear, hear!')

and that it is an extremely important subject. I say this not to flatter you, because I have no need to do so, but to convey that you have done work that the European Parliament should be doing. You have really sweated at it and it really does behave a few more of us to be present on these important occasions.

In another sense, however, I suspect that the fortune is mine, because it gives me an opportunity to put a question that I might not otherwise have had the time to put if many others had wanted to speak. What I wish to say is this: if we are going to have a wider debate on Israel, let us ask the Commission what they propose to do about a subject which is on the top of the minds of many Members of this Parliament, because in the corridors of this House there is a knowing feeling — we will put it no higher — that the missing 200 tonnes of uranium that somehow vanished off the face of the earth by alchemy in 1968 found its way into Israeli hands. I do not know the rights or the wrongs of this situation. All we do know is that the efficiency of the Israeli Secret Service is legendary, that they are determined, that they have resources, and that time and again in the last two decades they have performed some very remarkable feats. I make no comment as to whether they were

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right or wrong. All I observe is that it is hardly beyond dispute how efficacious they have been.

In these circumstances, if we are going to talk about financial assistance to Israel, could I voice a blunt question which many of us are asking? Namely, in the discussions with the Israelis, or as a matter of urgency, will the Commission, who have accepted responsibility on this delicate issue, ask the Government of Israel for an official and considered comment? Of course, if there is an official and considered denial, some of us would be very disposed to accept it, but at least the question ought to be put, because if we are to have friendly relations with the Israelis we ought to ask them bluntly, as friends, if they can help us at all in finding the destination of that missing uranium, because the stakes here are very large — unless the Commission can come up with a good deal more satisfactory answer than Commissioner Brunner gave yesterday.

This has been the subject of study, and my colleague, Lord Brimelow, this morning spent a great deal of time translating, for those of his colleagues whose German is not so good, what in fact the Commissioner said. We have been looking through this very carefully. Here is a copy in English of what Commissioner Brunner said, and I say to his Commissioner colleague that in no circumstances is this adequate. We have got to go a great deal further than this document that Commissioner Brunner gave the House before we stop raising this subject. And it is no good saying, 'Ah, but you make relations difficult with the Canadians!' The relations were difficult with the Canadians from the very moment that Mr Löwenthal opened his mouth in Vienna, so do not let us have that as an excuse.

What I say on this subject is that the issue of the 200 tonnes of uranium has got to be cleared up, because, if it is not cleared up, there will be questions of trust and questions of getting uranium to the nation-states of Western Europe, to the Federal Republic, to France and to the UK. It is as important as this. Let us therefore ask the Israelis what they know about it, if only to eliminate them from the mystery. I would like a statement from the Commission — not in any detail, simply that, having heard the request that has been made, the Commission will consider, as a matter of urgency, since it is their responsibility, going to the Israeli Government and asking them if they know anything about the missing 200 tonnes of uranium oxide, because this is a subject that Parliament will not let go of until the mystery is cleared up.

President. — Mr Dalyell, I cannot stop you constantly raising this question and expressing your dissatisfaction with Mr Brunner's answer, but I do not think this matter is relevant to the subject in hand. I

did not call you to order but I would like to point out that you are completely free to put this subject on the agenda again at the next opportunity, in the form of an oral question with debate.

I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, I wish to thank the rapporteur for his report, which analyses the Israeli economy and suggests that investments in Israel should be assisted in order to promote industrial development and improve Israel's balance of payments. The Commission shares this opinion, but points out in addition that the promotion of investments in Israel is only one of the means of close cooperation at our disposal. Other means include cooperation between firms, the transfer of technology, sub-contracting and exchange of industrial information, points which were raised by Mrs Dunwoody in her contribution.

Now the joint Israeli-Community working group will meet at the beginning of June to examine possible actions and to prepare the decisions to be taken by the joint committee provided for under the agreement. As far as Israel's balance of payments is concerned, the effects of the actions envisaged will be felt in the longer term. There are, however, already some encouraging signs, for example, the Community's surplus with respect to Israel amounted to \$ 1 billion in 1974. In 1976 this was halved to a figure of \$ 519 000 000.

I noted with interest the contribution by Mrs Dunwoody, who asked the Commission to give a clear indication of its position. I intend to give that, to say that the Commission has come out, without reservation, against any boycott of European firms which have links with Israel. Commissioner Cheysson has made a number of statements to this House on the matter. Such action is contrary to the measures being taken to improve the global cooperation between the Community and the Arab countries. For example, the Maghreb/Mashrek agreement includes a firm undertaking not to discriminate against or between Community firms. Any failure to keep this undertaking will be a violation of the agreement and the Commission will insist on strict respect of the undertaking. I noted the request for a statement by Mr Dalyell, but I take my cue from you, Mr President and say simply that I will convey the substance of the remarks to the Commission and in particular Commissioner Brunner. I will not attempt to answer such an important question at the end of a debate of this nature.

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

The resolution is adopted.¹

¹ OJ C 113 of 6. 6. 1977.

16. *Agenda for next sitting*

President. — The next sitting will take place tomorrow, Friday, 13 May 1977, from 9 a.m. to 12 noon with the following agenda :

- *Procedure without report*
- Klepsch report on eels (without debate)
- Guerlin report on waters favourable to shell-fish growth (without debate)

- Liogier report on the wine sector (without debate)
- Bangemann report on the conference on the Law of the Sea
- Pintat report on the Cooperation Agreements between the EEC and Egypt, Jordan and Syria
- Hughes report on fisheries

The sitting is closed.

(The sitting was closed at 5 p.m.)

SITTING OF FRIDAY, 13 MAY 1977

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IN THE CHAIR: MR MEINTZ

*Vice-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 Mr Dalyell.

Mr Dalyell. — Mr President, I have given notice that I would like to refer to page 1, item 1, *Approval of minutes*. I would first of all like to ask for any report from the enlarged Bureau on the discussion of what was to have been a special meeting of the Committee on Energy and Research on the issue of the loss of 200 tons of uranium oxide.

Secondly, I would like to raise what in the House of Commons — and also I gather in the Bundestag — would be referred to as a matter of parliamentary privilege.

It will be within the recollection of the House that during Question Time on Wednesday, I specifically asked Mr Haferkamp, who was on the Commission front bench, in view of his own responsibilities it would not be appropriate for him to make a statement on the Plumbat affair and the disappearance of 200 tons of uranium oxide. On that occasion there was no response from Mr Haferkamp and afterwards I was told that since Commissioner Haferkamp held a different portfolio from that in a previous Commission, he could not be called to account for his actions during the time of that Commission. Now I understand this argument, because supposing by chance the Commissioner had been Mr Lardinois or Mr George Thomson, that would have been understandable. There are these changes of portfolio. And this is a tenable point of view. But lo and behold! What do we find happened yesterday? Yesterday in Brussels Mr Haferkamp holds a press conference and answers questions from the press corps in Brussels on the Plumbat affair. Now he cannot have it both ways. Either he has no responsibilities or he has responsibilities. If he has responsibilities he has no business at all to go answering questions to the Brussels press corps.

(Hear, Hear!)

If he has responsibilities, it would at least be courteous, to put it at its mildest, to this Parliament, to make some kind of a statement when he is directly asked. Therefore I submit that this is at best offhand and cavalier treatment of the European Parliament and that Commissioners, when asked, should make a

statement to Members of this Parliament so that they can be interrogated. I would therefore ask the enlarged Bureau to consider Commissioner Haferkamp's actions at their next meeting and report to Parliament.

Thirdly, Mr President, yesterday morning there was no kind of a serious answer provided as to why Question 22 was suppressed and declared void. The answer that I was given could be applied, if it is a serious answer, to many other questions that appear regularly on the order paper of this Parliament. So the procedure was extraordinary. And the only explanation is that some people somewhere do not want Parliament to ventilate this inconvenient issue, which is not only of historical, but, many others believe, of great contemporary importance. Indeed it is so extraordinary that the enlarged Bureau, Sir, must take special care in what they do — and not only in what they do, but in what they are seen to do. And I will explain to Parliament why appearances are of such grave importance in this matter. Our President must be seen to be whiter than white and not to do anything as President of this Parliament to inhibit discussion on this matter, because the fortuitous fact is that our President of Parliament, in a previous incarnation, was Finance Minister of Italy from 1963 to 1970, by common consent one of the central figures in the Italian Government of the time and by common consent one of the ablest and most powerful politicians in any of our nation states over that period. And from August 1970 to February 1972 he was Prime Minister of Italy. Now even taking into account the principle, that many of us understand in these matters, of security based on the principle of the 'need to know' it is inconceivable, frankly, that the Italian Secret Service did not inform Mr Colombo at some stage of the uranium loss and the Plumbat affair, and it would be shocking if they had not done so...

President. — Do you consider this last point in any way relevant to the approval of the minutes?**Mr Dalyell.** — ... The fact is, Mr President, that Emilio Colombo must have known at a time when he was central to the Italian Government, and this fact makes it imperative that Emilio Colombo in a different role, as President of the European Parliament, must in no way be seen to be party to inhibiting discussion in this matter. I put it that the enlarged Bureau should discuss this.**President.** — I call Mr Schyns.**Mr Schyns.** — *(F)* I would ask the speaker to refrain from further comment at this stage and to put these questions to the President when he is here to defend himself.

This is not fair play, Mr Dalyell:

Mr Dalyell. — The fact that the President is not here on a Friday morning is his responsibility and not that of the Members who stay.

Mr President. — Mr Dalyell, you are in any case mistaken in referring to the first item of the minutes of yesterday's sitting; it is, in fact, Wednesday's sitting that we are talking about.

I call Mr Cheysson.

Mr Cheysson, Member of the Commission. — (F) Mr President, the honourable Member has attributed the attitude taken by one of my colleagues, when questioned about the disappearance of 200 tonnes of uranium oxide, to the change of portfolios in the Commission.

On this first point I wish, Mr President, to make a categorical and precise statement on behalf of the Commission. The Commission is a collegiate body. It is responsible collectively, as a body, for all its actions and the actions of previous executives. Thus a Commissioner can never disclaim responsibility for a matter simply because it does not fall within the province of his particular portfolio. Secondly, I am told that it is true that Mr Haferkamp did not wish to answer the question that was put on this subject on Wednesday but the reason was that a lengthy debate had been held on this subject on the previous day, during which the Commissioner concerned, who knew all the details of the case, explained the various aspects of the affair and even answered such difficult questions as 'what would you do now in a similar situation?! Mr Haferkamp felt that Parliament had been fully informed of the matter and thus he, who was much less familiar with the details than Mr Brunner or myself, would only have been able to repeat — probably in a manner less satisfactory to the Assembly — what had already been said. In other words, the Commission did not inform the press before Parliament, since Mr Brunner, the Commissioner responsible, replied to the question on Tuesday in the course of the debate on this subject.

Secondly, if Parliament considers it necessary to hold a further debate, the Commission is of course at its disposal for the next part-session and any other part-sessions that the Bureau may wish to organize.

President. — I call Mr Dalyell.

Mr Dalyell. — I shall ask one question of Mr Cheysson and then I will stop. If it is true that there is collegiate responsibility and if it is true, as he was interpreted as saying, that he knows the details as well as Mr Brunner, he really ought to...

President. — Mr Dalyell, we are not going to reopen the debate on this question.

I call Mr Prescott.

Mr Prescott. — Mr President, this is a difficult situation. I have no intention whatsoever — neither has my group — of continuing the debate on this particular matter, but I think you could have perhaps informed the House, as my group was informed, that the request to the President to hold a special emergency meeting of the Committee on Energy and Research had been replied to by the enlarged Bureau in a letter. The letter said that the committee, through the vice-chairman, I think, Mr Normanton, had decided that, in their opinion, this was not an emergency matter and that the President had not acted himself. So, clearly, these things could have been avoided if the President himself had taken action. Clearly there are avenues available to us and one does not want to make this issue any more difficult here this morning, except to put on record, Mr Vice-President — and I know you will take this back to the President — that if he had acted as requested we could have avoided these issues and Mr Haferkamp would not, as I feel, have been treating this House with contempt. We will follow the issue further.

President. — I call Mr Klepsch.

Mr Klepsch. — (D) Mr President, I should just like to make a general observation on the order of business in this House. I do not think it is very desirable for us regularly to hold debates in plenary sitting which are really more suited to enlarged Bureau meetings. I want to stress this point and I greatly deplore the fact that this has happened on several occasions during this part-session. In my view, this detracts from the image and dignity of the House.

I would also say to my colleagues that it must not be the custom in this House to make unsubstantiated insinuations particularly if they are defamatory to colleagues who are not present. I mean this very seriously and I think that before the next part-session we should all reflect how this House can impress upon the public that it is giving serious consideration to problems and not spending a large part of its time wrangling about the order of business.

(Applause from certain benches in the centre and on the right)

President. — I note your statement, Mr Klepsch.

I call Lord Bruce of Donington.

Lord Bruce of Donington. — Mr President, following the remarks of the last speaker may I, as an ordinary back-bencher in these matters, seek your protection, because the inference contained in the remarks of the last speaker was that there were certain matters that it was proper for the enlarged Bureau to discuss and certain matters that could be left to Parliament.

Mr President, the good name of Parliament is at stake in this case, and unless action is taken in regard to

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this 200 tonnes of uranium, the people of Europe will come to the conclusion that Parliament itself is involved in a massive cover-up that must have taken place over this whole affair.

(Mixed reactions)

President. — Are there any other comments?

The minutes are approved.

2. Procedure without report

President. — At the sitting of Monday, 9 May, I announced the proposal from the Commission to the Council to be dealt with under the procedure without report laid down in Rule 27A of the Rules of Procedure. Since no Member has asked leave to speak and since no amendments have been tabled, I now declare approved the :

proposal from the Commission of the European Communities to the Council for a regulation opening, allocating and providing for the administration of a Community tariff quota for fresh or dried hazelnuts, shelled or otherwise, falling within subheading ex. 08.05 G of the Common Customs Tariff, originating in Turkey (Doc. 32/77).

3. Documents submitted

President. — I have received the following documents :

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

- the proposal from the Commission of the European Communities to the Council for a regulation implementing in respect of the own resources from VAT the Decision of 21 April 1970 on the replacement 'of financial contributions from Member States by the Communities' own resources (Doc. 100/77)

This document has been referred to the Committee on Budgets ;

- the proposal from the Commission of the European Communities to the Council for a regulation on the application of the provisions of the Financial Protocol concluded with Malta (Doc. 101/77)

This document has been referred to the Committee on External Economic Relations ;

- the proposal from the Commission of the European Communities to the Council for a regulation temporarily suspending the autonomous Common Customs Tariff duties on a number of agricultural products (Doc. 102/77)

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

- the proposal from the Commission of the European Communities to the Council for a directive laying down additional provisions relating to the

surveys to be carried out by Member States on cattle production (Doc. 103/77)

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

- the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 471/76 in respect of the period of suspension of the application of the condition on prices governing the importation into the Community of fresh lemons originating in certain Mediterranean countries (Doc. 105/77)

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

- (b) from Sir Derek Walker-Smith, on behalf of the Legal Affairs Committee, a motion for a resolution pursuant to Rule 25 of the Rules of Procedure on the protection of human rights with reference to citizens of the German Democratic Republic (Doc. 107/77)

This document has been referred to the Political Affairs Committee ;

(c) from the committees, the following reports :

- report by Mr Liogier on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council (Doc. 72/77) for a regulation amending for the fourth time Regulation (EEC) No 1163/76 on the granting of a conversion premium in the wine sector (Doc. 109/77) ;

- 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. 52/77) for a regulation concerning the conclusion of an agreement between the European Economic Community and the United States of America concerning fisheries off the coast of the United States and establishing the provisions for its application (Doc. 110/77) ;

(d) from the Commission :

- a letter concerning the maximum rate of increase for non-compulsory expenditure in the Budget of the European Communities for the 1978 financial year (Doc. 104/77) ;

This document has been referred to the Committee on Budgets.

4. Authorization of reports

President. — At its own request and pursuant to Rule 38 (3) of the Rules of Procedure, the Committee on Regional Policy, Regional Planning and Transport has been asked for its opinion on the question of the present state of relations between the Community and the state-trading countries of Eastern Europe and Comecon, on which the Committee on External Economic Relations has been authorized to draw up a report.

President*5. ACP-EEC Consultative Assembly*

President. — I have received from the chairmen of the political groups and the non-attached Members the names of the Members of the European Parliament who will be appointed to the ACP-EEC Consultative Assembly. They are :

Mr Adams, Mr van Aerssen, Mr Aigner, Mr Albers, Mr Albertini, Mr Amadei, Mr Baas, Mr Berkhouwer, Mr Bersani, Mr P. Bertrand, Lord Bessborough, Mr Bordu, Mr Bourdellès, Mr Broeksz, Mr Brugger, Mr Caro, Mrs Cassanmagnago Ceretti, Lord Castle, Mr Cifarelli, Mr Covelli, Mr De Clercq, Mr Delmotte, Mr Deschamps, Mr Dondelinger, Mrs Dunwoody, Mr Durieux, Mr Ellis, Mr Fellermaier, Mr Fioret, Lady Fisher of Rednal, Mr Flämig, Miss Flesch, Mr Fletcher-Cooke, Sir Geoffrey de Freitas, Mr Galluzzi, Mr Geurtsen, Mr Glinne, Mrs Goutmann, Mr Hamilton, Mr F. Hansen, Mr O. Hansen, Mr Herbert, Mr Holst, Mr Hunault, Mr Inchauspé, Mrs Iotti, Mr Jakobsen, Mr Johnston, Mr Jozeau-Marigné, Mr Kaspereit, Mr Kavanagh, Mr Klepsch, Mr de Koning, Mr Krall, Mrs Kruchow, Mr Laban, Mr Lagorce, Mr Lezzi, Mr Lücken, Mr McDonald, Mr Maigaard, Mr de la Malène, Mr Martens, Mr Martinelli, Mr Meintz, Mr H.-W. Müller, Lord Murray of Gravesend, Mr Nolan, Mr Normanton, Mr Notenboom, Mr Nyborg, Mr Osborn, Mr Pianta, Mr Pisoni, Mr Prescott, Mr Price, Mr Pucci, Lord Reay, Mr Rivierez, Lord St. Oswald, Mr Sandri, Mr Santer, Mr Schmidt, Mr Schuijt, Mr Schwabe, Mr Schwörer, Mr Seefeld, Mr Spénale, Mr Spicer, Mr Spinelli, Mrs Squarcialupi, Mr Vandewiele, Mr Vernaschi, Mrs Walz, Mr Wawrzik, Mr Würtz, Mr Zagari, Mr Zeyer.

The number of appointments corresponds to the number of seats to be filled.

Are there any objections ?

The appointments are ratified.

I would remind Parliament that the constituent meeting of the ACP-EEC Consultative Assembly will be held in Luxembourg from 8 to 10 June 1977.

6. Regulation on a tariff quota for certain eels

President. — The next item is a vote without debate on the report (Doc. 80/77) drawn up by Mr Klepsch, on behalf of the Committee on External Economic Relations, on the

proposal from the Commission of the European Communities to the Council for a regulation on the opening, allocation and administration of a Community tariff quota for certain eels falling within subheading ex 03.01 A II of the Common Customs Tariff (1 July 1977 — 30 June 1978).

Does anyone wish to speak ?

I put the motion for a resolution to the vote.

The resolution is adopted¹.

¹ OJ C 113 of 6. 6. 1977.

7. Directive relating to quality requirements for water favourable to shellfish growth

President. — The next item is a vote without debate on the report (Doc. 96/77) drawn up by Mr Guerlin, 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 directive relating to the quality requirements for waters favourable to shellfish growth.

I call Mr Jahn.

Mr Jahn. — (D) Mr President, we should remove the Guerlin report from the agenda because it contains a printing error. If we vote on it as it stands we shall include a criminal law term in the resolution instead of one relating to distortion of competition. But if, as the Commission has just informed me, we can simply alter this later on, then I withdraw my request and ask for a vote to be taken on the report. The Commission is agreed that we should alter the word in question afterwards.

President. — What is the opinion of the Commission ?

Mr Cheysson, Member of the Commission. — The Commission can accept that.

President. — The words *unfair competition* in paragraph 2 of the motion for a resolution should be replaced by the words *distortion of competition*.

Are there any objections to this oral amendment ?

That is agreed.

I put the motion for a resolution, thus amended, to the vote.

The resolution is adopted.

8. Regulation on the granting of a conversion premium in the wine sector

President. — The next item is a vote without debate on the report (Doc. 109/77) drawn up by Mr Liogier, on behalf of the Committee on Agriculture, on the

proposal from the Commission of the European Communities to the Council for a regulation amending for the fourth time Regulation (EEC) No. 1163/76 on the granting of a conversion premium in the wine sector.

Does anyone wish to speak ?

I put the motion for a resolution to the vote.

The resolution is adopted.

9. Conference on the Law of the Sea

President. — The next item is the report (Doc. 82/77) drawn up by Mr Bangemann, on behalf of the Legal Affairs Committee, on the Conference on the Law of the Sea as it affects the European Community.

I call Mr Bangemann.

Mr Bangemann, rapporteur. — (D) Mr President, the Legal Affairs Committee is submitting to the House a report and motion for a resolution on the Third Conference on the Law of the Sea, in particular with a view to the forthcoming session to be held in New York at the end of May, because it feels that the European Community, which has indeed participated in this Conference on the Law of the Sea so far but perhaps not sufficiently actively, should make clear which of its interests are involved, and because Parliament should take the opportunity of submitting its own proposals on the most important matters for negotiation which also concern us and our interests.

This report, therefore, does not deal with all the very detailed matters for negotiation which have been discussed so far in the various Conferences on the Law of the Sea. It is confined to the most significant questions of importance to the Community.

First of all, it is quite proper that an attempt is being made at this Conference, which by definition has an immense task to fulfil and which has set itself a very ambitious target, to resume the whole chapter of problems concerning the Law of the Sea in one common legal act. It is perhaps understandable, and this we should acknowledge, that given the complexity of the material and the target, no result has been achieved. On the other hand, this is still regrettable because there is a great opportunity of making a breakthrough in this area for the rule of international law. There is a certain logic to international law being accepted in this area, because many of these questions are controversial issues which have resulted from traffic between the various countries.

At the Conference our achievement so far is that the Member States have taken a common position on a large number of problems. This is due in large measure to the work done by the Commission. So on behalf of the Legal Affairs Committee, which has pointed this out very clearly in its discussions, I should first like to thank the Commission for its commitment in representing the European point of view.

However, in the opinion of the Legal Affairs Committee, the Community as such must make a greater impact on the Conference; not only must the Member States, with the assistance of the Commission, align their views and take up common positions, but the Community as such should be more strongly represented at the Conference and not only as a parti-

cipant; efforts must be made for the Community to be a signatory to the agreement which, we hope, will be approved at the end of the debate.

At all events we must ensure that Member States make every effort to enable the Community as such to be a contracting party to the future convention. This is, of course, not merely a legal matter, but one dependent also on a political decision.

The legal matter concerns, the fact that so far the United Nations has not recognized communities which do not have the traditional character of a nation state. This should not be insuperable from a legal point of view, especially since the European Community is in no way comparable with an international organization. It is of course a legal entity in its own right, perhaps not in the traditional sense of a nation state, but neither is it an international organization of the kind we have seen before. The European Community is somewhat superior in its legal status to the international organizations.

Apart from this legal question, there is also the political question of whether the Member States will support the Community and ensure that an appropriate clause is inserted in the text of the Treaties to allow the European Community as such to sign this convention.

These preliminary remarks lead to the proposals proper which are made in this report. I should like to mention that this report was adopted almost unanimously in the Legal Affairs Committee with only a few votes against. In the Committee on Energy, a favourable opinion was adopted unanimously, or so I am told. Mr Liogier, who forwarded it to me, is unfortunately not able to deliver it himself this morning.

There are two essential proposals here, the first of which refers to procedure. Of course I am aware, Mr President, that a Parliament which does not participate in this procedure should only make proposals concerning procedure in the most extreme case. We did not intend this to be an official proposal, but rather as a consideration which might be submitted to the Conference in the Commission's opinion or in the position taken by the Commission or the Member States. We should consider whether the previous procedure, which is based on a kind of package deal covering all problems, and leading finally to a joint text, should not be slightly altered so that those parts which have already been accepted can be given a solid basis in law.

The problem. Mr President — and a proposed amendment by Mr McDonald deals once again with paragraph 8 of the motion for a resolution in which this proposal is submitted — is not that we reject the package-deal procedure as such. Of course, every international conference endeavours to achieve a consensus by the *do ut des* procedure, as we might express the term 'package deal' in Latin. But the question we are

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debating is whether or not in certain individual cases, the participants in the Conference negotiations could not simply accept regulations in practice instead of basing them on a legal foundation which might be possible. A very obvious example is the 200-mile economic zone. During the Conference, Mr President, it has emerged that most participants agree with this new principle of the Law of the Sea, although it did not exist previously. But it has not been codified or legally agreed, and international law has not been extended by this matter, but instead, each state, including the European Community, has simply set up this 200-mile zone without any legal basis whatsoever.

This means that in the field of the Law of the Sea we have exactly the same situation as before. Action is taken; it becomes accepted; a kind of prescriptive right grows up and the nations get along with each other instead of concluding an international convention in a very important area where agreement exists and saying: yes, we all agree that this 200-mile zone should be set up and we therefore give it a legal basis.

Mr President, the Legal Affairs Committee's reservation is the following: that during the Conference, which may well last for several years, we may increasingly introduce the agreed results *de facto*, but not draw the consequences *de jure*, so that afterwards, when we want to turn to this famous package deal and the Final Act, there will be nothing left to codify. And so this consideration was included in paragraph 8 of the motion for a resolution. It is very vague in its wording and of course it is not a binding instruction which of course we could not give, but it does express this point of view and I should like to ask Mr McDonald, with whom we have naturally discussed this matter in the Legal Affairs Committee, to bear in mind once more that the proposal does not aim at altering the principle of the give-and-take procedure, but says that in those fields where a consensus has been attained, this consensus should be codified in order to give more power to international law.

Then a few proposals are made concerning the matters which are to be discussed here and which must be settled. For example: the question of the form of this 200-mile zone, what we must do in the context of the Conference in order to settle interrelated questions, the very important question of the exploitation of the international sea bed. A few proposals have been made here which are in the interests of the Community, at least in the opinion of the Legal Affairs Committee, for, as regards the international sea bed, we shall not be able to avoid recognizing the basic principle, even if we so wished, that these resources of the international sea bed are a 'common heritage of mankind' when they lie outside the zones which are set aside for the exclusive exploitation by one or other of the coastal states; if this is so, then we

must agree on international regulations, so that this 'heritage of mankind' can in fact be made available to mankind. In this context, an International Authority will have to be set up. There is no alternative.

The decisive question for the Community, however, concerns the rules of procedure according to which this International Authority will work, and here again we see that these rules of procedure must safeguard access for all countries, with the provisos which have already been agreed, and that there must be an opportunity to exploit the sea bed, not only for states, but also for companies, when the International Authority grants the appropriate rights. Of course it is important that decisions taken by the Authority must be taken according to a fair procedure and that no group can pressurize another, for, if this possibility existed, then the International Authority could surely not work effectively.

What is very important, and also possible in the sense of an anticipated regulation, is the settlement of disputes. Mr President, if we are agreed in this important procedural area, why should we not then conclude a convention which states that we shall settle disputes according to the following rules, and then set out details of the procedure for settling disputes?

The question of the freedom of navigation is of course of especial importance for the Community. It is stated here once again that despite all the zones which are being set up and despite all the measures required to conserve fish stocks or to reduce pollution or to exploit the resources of the sea bed, despite all these important economic purposes, the basic principle of freedom of navigation must not be infringed, because otherwise this would be a step backwards compared with the present legal situation.

Finally, reference is made to the fact that above all, as regards the pollution of the sea and the utilization of the results of scientific research, we feel that two important aspects can be regulated which are of great importance for the future of mankind. As regards pollution, we only need to refer to recent events. If we do not succeed in putting a stop to pollution then these future prospects, these horrific prospects painted by some futurologists, could become reality: the whole balance of nature could be upset in such a way that human life could no longer exist. This emphasizes the importance of the seas at present and, if we make further progress in scientific research — and legal bases need to be set up for this too — then we must say that the seas are the most important pre-conditions not only for the environment but also for mankind's nutrition, his future well-being. Of course human beings live almost exclusively on land and we cannot imagine that biological changes will occur so rapidly that we could return to the sea, but in future

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we shall have to exploit more fully the resources of the sea if we wish to continue living on the land.

In other words, Mr President, we do not live in the sea but we are living increasingly from the sea, and we must bear this in mind when we are considering this resolution. This is a report which of course will be adopted on the eve of the resumption of the Conference, and by adopting this report Parliament will make a contribution which could strengthen the Community's position at this Conference, a position which above all supports the Commission's position, so that we can assume that solutions will be found in all these important questions and that the Community will prove in an international conference that it is a reality. I believe that this on its own would justify the acceptance of this report.

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

Mr Prescott. — Mr President, the Socialist Group would generally endorse the philosophy embodied in Mr Bangemann's report, on which we congratulate him. There is a number of points that we would wish to bring to the attention of the House. There is a point we would like to amend. We hope Mr Bangemann will consider it as a matter in which there seems to be a certain contradiction, as I hope to point out.

At the same time we must recognize the very broad and important political principles involved in this document. It is absolutely essential that we are agreed on the general principle among all parties here on matters concerning the Law of the Sea. Perhaps I could best put that by bringing to the House's attention what my group has said in a report that we produced as a policy document, after a delegation, which I was on, from the Socialist Group, visited New York during the last negotiations on the Law of the Sea conference. Having talked to the various delegations involved, and indeed the EEC Commission delegation, I would like to put on record that I admired the ability of the delegation and the competence of the Commission's delegation in New York. I thought they well understood the issues, but were operating under considerable difficulties.

Certainly nation states in many ways have very fundamental differences amongst themselves as to how these principles are to be interpreted, either in the short term or the long. To give one example: Mr Bangemann's own country has a difference of view as to how the shipping should be shared out between the Third World and the Western world. I happen to agree with the view taken by the German government rather than my own on that issue, but I am bound to say that it does not necessarily mean that all the nations will agree on a common position in regard to these principles. But there certainly are matters on

which there is agreement and, indeed, where the Community can advance a broad position within the negotiations, taking more into account the global problems of nations, whether it is the Group of 77, identified as the poorer nations of the world, or the Western countries, split between those that take a more radical view, such as that articulated by Mr Eversen of Norway, and those who take a more conservative view, particularly as articulated by my own country — one that I personally do not totally agree with.

I would like to put on record a statement of the principle that we think governs this. Indeed this is embodied in Mr Bangemann's report, in paragraph 12, which clearly endorses the principle that the international sea-bed and its resources should be regarded as the 'common heritage of mankind'. Now that's one of those declarative statements to which everybody can say: yes, we agree. It's when we begin to divide the booty — and it is substantial booty and money we're talking about — that the differences come about. But I would like to put on record in this House the basic principle that governs my group in the matter of the Law of the Sea. I quote — it is not very long, but I wish to make clear to the House our basic, principled approach to these matters:

The era of uncontrolled exploitation of the sea is ending, the mere maintenance of the freedom of the seas, of *laissez-faire* in the oceans, can no longer be the aim of any developed country, let alone one guided by socialist principles. The efficient use of scarce resources and the recognition by socialists of the need for the redistribution of the newly created wealth to help the Third World equally demand that we should support a new system of international control.

That is, we wish to see implemented the principle, as Mr Bangemann has indicated in his report, that no longer will the wealth of the seas be exploited so that the strongest and the quickest in developing the technology get the best advantage. That can only mean that the rich nations will get richer and the poor nations will get poorer. On that argument, we cannot win in the end in a world which is becoming increasingly interdependent. Therefore, we are motivated in our approach to these matters by that basic principle endorsed in the Socialist Group's policy on the Law of the Sea.

I therefore, Mr President, would just like to make one or two quick comments about three or four points in the document, with regard to the common position. Perhaps I have been particularly slow this morning, having been told by the interpreters that I am far too fast in attempting to present my points. I shall attempt to correct that in order to make things somewhat easier for the interpreters, especially on a Friday morning.

The EEC clause is the clause whereby we agree, as a group of nations to act as one in negotiations. As Mr

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Bangemann has pointed out, it is quite clear that the EEC has competency, particularly in regard to the negotiations with third countries. In that area the competency is clear. But in other areas, clearly it is not. In fishing it is highly disputed what the course of action should be, but on the essential principle of 200 miles at least, we are clearly agreed. As I understand it, there is no difference between the nations of the Community in agreeing that an EEC clause should be added to the document when it is finally agreed. As I understand it, while there are divisions on certain matters of principle, in regard to our being a signatory to the final document there is no dispute. No doubt the Commission will inform us one way or the other. But there is one very important point that one has to take into account. Whilst there may be recognized areas of competency on which nations can agree, you must recognize that the international convention on the continental shelf gives the legal right to the coastal states to exploit mineral wealth. And that is the legislation that applies internationally, and the Rome Treaty does not override the recognition of the coastal state's right, as embodied in the continental shelf act, in regard to the exploitation of mineral wealth. I think in that area there is general agreement.

Although there are important principles on which differences of opinion are clear, a generality of ideas and opinions is certainly developing within the Community. I might add that one of the things that impressed me in New York was that most countries sent delegations to talk with their own delegations about the progress of negotiations, the bargaining factors. This is a point I shall come to in a minute in connection with Mr Bangemann's proposal about whether we should sign separate conventions — almost in pieces — until we get the final agreement. I think this House may well do itself a service if the committee would consider sending a delegation to discuss with the EEC Commission negotiators and various Community negotiators this process of negotiation on the Law of the Sea.

The second point concerns procedure — the separate-convention argument as advanced by Mr Bangemann. Mr McDonald has taken this up in his amendment which I tend to support, and which, I am bound to say, embodies the essential principle that it is not possible to achieve separate conventions, certainly at this stage. This is why the United Nations could not agree on the 200 miles, although there was general agreement from all concerned to advance the 200-mile principle. The process of negotiations was such that in the main the Third World countries were saying: we will not agree on a matter like that, which is to your advantage, until you are more precise about what your position is on the International Authority. The International Authority, as we know, is the body through which we hope to redistribute the wealth that is to be found in these areas outside the 200 miles,

which we have declared to be the common wealth and heritage of mankind. I therefore do not think this is a practical proposal to make, neither is it new because it was put forward by various countries at the breakdown of the last negotiations on the Law of the Sea — although I don't like using the word breakdown, because it is a continuing process of negotiations that we have embarked upon. But in that situation the attempt was made to achieve that, and I believe that, owing to the very comprehensive nature of the principles involved, it is not possible to seek to do so. This, therefore, is somewhat a detraction from the report itself.

The main issue here, which is not mentioned in the resolution, is the problem of mining rights. We believe as a group that frankly there must be agreement about the International Authority. That authority should have the right to distribute those resources and act as an international body, rather than the proposal produced by the Americans, that you allocate one area for the Third World, one area for the West. It may look fair on paper, but the fact is the West has technology, the West has the multinationals, it has the resources; the Third World does not have them. And to give it equal chances in different competing areas is not to give any advantage except an advantage to the rich world to exploit to its level.

The last two points Mr President. On paragraph 8 I am predisposed to listen to what Mr Bangemann has to say, but I would ask him to reconsider taking out paragraph 8. In paragraph 11 of his report, he argues that they would give the right to extend beyond the 200-mile zone. Again I think we must make clear that that encroaches on the wealth of the continental shelf that really should be distributed in some form to the Third World. Here is a chance for us, particularly here in Europe, and particularly for Britain, to give up some of the new wealth that we have within our reach to the Third World. We are not being asked to share what we have produced with competing areas. It is a new source of wealth that could be given to a very impoverished third part of the world. To extend beyond the 200 miles only means that there would be more wealth again for the richer community. Mr Bangemann does say that these conditions could be considered and therefore I have no strong objections to that.

My final point Mr President, is Amendment No 2, which concerns paragraph 18. The point made here, which we fully agree with, is that however you may extend the areas of 200 miles, whether it be an economic zone, a territorial right — all those matters we are considering in the Law of the Sea conference — there should nevertheless be a guarantee of the right of innocent passage. Mr Bangemann is correct to emphasize that, and it is a crucial point that we should observe. But it is the last part of it to which we address our amendment.

Prescott

To make clear that there should be a right of free access, freedom of navigation over these areas is correct. But to go on to argue that there should also be an equal freedom to lay underwater cables and pipelines — as I read it from the English text, and this may not be the complete intention of Mr Bangemann — is another matter. That would mean that once it had been decided that certain areas had rights as a coastal state — or Community rights, if you like, but I prefer to keep the argument to coastal state in regard to mineral wealth, because that is the basis of the international obligation and right at the present time — one country could say: we exploit in that area up to 200 miles and another country: I have the right to come along and to begin to lay underwater cables and pipelines. That would seem to me on the surface at least to be a contradiction. To give someone else freedom to begin to drill, to dig, to exploit the seabed itself, which is what this means, would be a contradiction. And therefore I think that we should take that point out. If you are to give the right for controlling pollution to the coastal states in this case, or indeed the Community, it still would require that the control should be with one body. There should not be complete freedom for these activities, which, as we have pointed out in the amendment, may well lead to pollution. That undermines the essential authority invested in one state or in one community to protect itself from the problems of pollution and, indeed, from problems caused by others being free to exploit the mineral wealth.

And so, Mr President, we do generally endorse the report. We think it is important that the House should endorse the report. These very important negotiations that are going on are absolutely crucial — as much so as the North-South dialogue that we hear about so much here. We congratulate Mr Bangemann on producing this report and hope that he may take into account the points we have made.

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

Mr McDonald. — Mr President, it gives me much pleasure to compliment Mr Bangemann on the amount of work he has put into compiling this very comprehensive report, on a most difficult subject. The truth of that statement, I think, is borne out by the fact that there are so very few amendments to the Bangemann report, and therefore I think that the few amendments that have been tabled must be treated with the greatest of respect.

The Conference on the Law of the Sea was convened by the United Nations General Assembly on 17 December 1970. The aim of the Conference was to establish an equitable international regime — including an international machinery — for the area and resources of the seabed and the ocean floor, the

subsoil thereof, beyond the limits of national jurisdiction, a precise definition of the area, and a broad range of related issues, including those concerning the regimes of the high seas, the continental shelf, the territorial sea (including the question of its breadth and the question of international straits) and contiguous zones, fishing and conservation of the living resources of the high seas (including the question of preferential rights of coastal states), the preservation of the marine environment, (including, inter-alia, the prevention of pollution) and scientific research.

Now at this Conference, which the Commission has so far attended as an observer, the basis for discussion is a Single Negotiating Text, drawn up during the third session held in Geneva from 17 March to 9 May 1975. The Single Text consists of four sections: the first section, prepared by the Chairman of the First Committee, deals with a regime for the seabed beyond the limits of national jurisdiction; the second section, presented by the Chairman of the Second Committee, deals with territorial seas, straits used for international navigation, the economic zone, the continental shelf, the high seas, land-locked countries and — and these are very important, I think there are at least 28 of them — the archipelagoes and the regime for islands and enclosed and semi-enclosed seas. The third section, presented by the Chairman of the Third Committee, deals with the protection and preservation of the marine environment, marine scientific research and the development and transfer of technologies; the fourth section, presented by the Conference Chairman, deals with the settlement of disputes in regard to the interpretation and the implementation of the future convention.

In the entire area of this Conference, you will see that there are many difficult and diverse problems and the suggestion in paragraph 8, that they should be dealt each in their separate ways, would mean that it will, in my opinion, be more difficult to reach a final and satisfactory conclusion, and I have tabled an amendment to delete paragraph 8.

At the fifth session of the Conference held in New York from 2 August to 17 September last, the Single Negotiating Text was redrafted, on the basis of the positions adopted by the various delegations, as a Revised Single Negotiating Text.

Now the Conference has many complex problems to deal with, problems which at first sight appear to be mutually incompatible. For this reason, it is perhaps unfair to criticize the Conference for its relative lack of progress. With problems as seen by the economically powerful states, problems of nations with weak and under-developed economies, problems, as I said, of the 28 land-locked countries, progress must be slow, if the weaker and poorer countries and the emerging nations are to get a fair deal. This point has already been referred to by the previous speaker, Mr

McDonald

Prescott, and I concur entirely with his views. To make real progress, it must be slow and deliberate and a real consensus must emerge.

The conservation of marine resources forms an important subject of discussion in the Conference. Rapid advancements in science and technology have changed the whole pattern of fishing, to the point where entire species of fish are in danger, and for this reason it is vitally important that the Conference should reach acceptable and workable agreements on marine conservation measures. Because of the importance of fish conservation for the whole Community, the Irish Government, for example, have felt compelled to take an initiative in conservation by unilaterally declaring a conservation zone in which large trawlers — including, I might add, Irish trawlers — cannot operate. This question has been referred to the Court, therefore I cannot comment as freely as I would like at this time, but I would simply appeal to the Member States to abandon their policy of eradication through reckless and systematic over-fishing, and not to aggravate the situation by ignoring the Irish exclusive zone pending the decision of the Court. In this regard I should like to ask the House to support the amendment tabled on behalf of my group by Mr Müller-Hermann, asking for a new paragraph 6a which 'calls on the Council and Commission to make renewed efforts to work out common rules for fishing zones in the Community'.

Mr President, science and technology have now made it possible and economically feasible to win minerals, oil and gas from the sea bed. This potential for gain has raised the problem of ownership or territorial rights with regard to sea areas, pollution control and surveillance and indeed new opportunities and, of course, problems for the coastal states. Mr Bangemann has dealt with many of these problems very fully in his report and my group support this report and I entirely support his views, except for paragraph 8 of the motion for a resolution, because I believe that if in the sixth session the four sections are considered in isolation, some problems will inevitably be lost sight of and the conclusion will not form a logical and coherent whole.

The problems awaiting agreed solutions are divided between the areas where consensus can be reached quickly and those thorny problems where progress is slow and which will prove indeed more difficult to solve. The Conference, to my mind, will become a contest between those countries who are expected to give and those countries who want greater benefits and yet have little to offer in return. Therefore, Sir, it is my considered opinion that progress can only be realized if negotiated on the basis of the Single Negotiating Text drawn up during the third session held in Geneva.

In conclusion, might I say that progress is continuing under the four sections of the text and I feel that it is

crucial that all the problems related to the Law of the Sea should not be finally considered in isolation, but should be treated as proposed in 1975 and solved in a spirit of international goodwill and cooperation and a spirit of compromise in which national self-interest is submerged for the good of all people, their children and for future generations.

President. — I call Mr Hughes to introduce the opinion of the Committee on Agriculture.

Mr Hughes. — The Committee on Agriculture recognizes very clearly the enormous amount of useful work done by Mr Bangemann and the great value of this report. On the central problem of whether one goes for a regional set of bilateral agreements or waits for the International Law of the Sea Conference to come up with a solution, I am afraid the Committee on Agriculture can be described either as rather more realistic or slightly more cynical. They see little possibility of concrete results coming out of the Law of the Sea Conference in the short term and every indication that individual nations are creating new laws of the sea day by day and that to mouth pious hopes that an international solution will be found, while you know that every day a series of national solutions is being imposed, is to live in a rather curious world.

In the next item on this morning's agenda — the agreement between the Community and the United States — one finds that the United States has, by an act of internal legislation, materially affected the Law of the Sea in the area within 200 miles or slightly more of its Atlantic seaboard and that the Community, when they came to discuss maritime and marine matters, found that their hands were tied by unilaterally, perfectly legally performed acts of the United States Congress. Although one might hope for a gentlemen's agreement via consensus, there is also the fear that the search for consensus leads to a sacrifice of precision in the end product. You can end up with the lowest common denominator, woolly agreements without any precision associated with them.

Of course, if — as the Committee on Agriculture in the end do — we support Mr Bangemann's paragraph 8, we accept that there are very considerable difficulties associated with it — the difficulties in obtaining the agreement to the procedure by states whose interests lie in the more contentious issues. Clearly, if you try to settle this bit first, as is proposed in paragraph 8, a number of states will find themselves frozen out and they will not want to be so treated. Secondly, there is a danger of a breakdown in the coherence of the provisions of the text if you adopt them separately — a problem which has already emerged at the Conference in previous sessions. Clearly, any such lack of coherence would give rise in the future to international disputes. Nonetheless,

Hughes

having accepted these difficulties the Committee on Agriculture is of opinion that it should support paragraph 8 of the Bangemann report.

In order not to delay the House further I would simply also refer to paragraph 17 and the need to settle on a convention allowing for arbitration proceedings. This appears to be a crucial element in the Bangemann report and the need for an early settlement on arbitration proceedings is one of the most crucial requirements in any discussion on the Law of the Sea.

The dangers of not having adequate procedures are growing. Our fear in the Committee on Agriculture is that the Conference next month in New York may well fail to produce any real movement at all. I would therefore like to ask the Commissioner to say, when he comes to reply, what contingent plans the Commission have in the event of the failure of the Conference on the Law of the Sea to achieve anything real in the way of improvement in the next session, because I think the whole House accepts the need for the Community clause to be included in the negotiating text. I would like to know where the Community envisages going itself, in the — as we fear — likely possibility of the Conference on the Law of the Sea going nowhere.

President. — I call Mr Fletcher-Cooke.

Mr Fletcher-Cooke. — It is a great credit to Mr Bangemann that everybody seems to agree with all this long report and long motion, except for one, I consider, rather small matter. I support the inclusion of paragraph 8, which is not asking for very much. All that Mr Bangemann asks is that this House 'suggests that consideration should be given to the Conference adopting a new approach to its work, which could consist in drawing up and concluding separate conventions on subjects on which general consensus can be reached'. 'Suggests that consideration be given' — that is not asking very much. Are we not to be allowed even to do that? It seems to me that it is a most sensible, if rather tentative, manner of proceeding.

This great Conference was set up seven years ago. Nobody thinks the next seven years will find a conclusion to all the problems that it embraces. Some subjects have barely yet been touched upon at all. Would it not be sensible to try, at any rate, to see if one could proceed subject by subject, and try to get some agreement on some of them? I understand from Mr Prescott, and from Mr McDonald, that that method of approach is unlikely to succeed, that the small countries, the land-locked countries, those with little to give and much to get, will not permit this method, because then they would be throwing away at an early stage some of their bargaining power. That, I think, is the way it is put. And it may be right. It may,

in the event, turn out like that. But why not try and see? Why not attempt the other approach, which is all that paragraph 8 suggests? ...

Mr Prescott. — We have tried it!

Mr Fletcher-Cooke. — Try it again, try it again! The conferences go on year after year. Meanwhile, as Mr Hughes has said, unilateral action is taken by one country or another, usually by powerful countries, like the United States. Various procedures for such vital topics for the wealth of the world as ocean mining are now being adopted on a national, rather than an international basis, and you cannot altogether blame them, because these are mineral resources that need to be exploited, if the world is to live and to grow. We must get on, and if we cannot get on globally, let us at least try piecemeal. And I think that Mr Bangemann deserves the support of the House on this paragraph, as on all his other paragraphs, because I personally reject the philosophy which I regard as one of despair, namely, that because you cannot agree about everything, you should not even try to agree about anything.

Mr Jakobsen. — (DK) Mr President, my modest and humble nature makes it difficult for me to join in this debate. It is a pure formality that my committee has done me the honour of appointing me draftsman of an opinion in connection with Mr Bangemann's report. So far my committee has not had time to discuss it and this is therefore a purely personal statement, supported by conversations I have had with experts on the committee's staff. It is true we would have to make a great effort in order to find something to object to. It only remains for me to express my own personal very high respect for the great work which Mr Bangemann has performed in this report and my very great respect for the valuable speeches which have been made here today. My contribution is only to carry out here the formality that my committee should give its opinion and we wish the affair the best and most speedy progress possible.

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission. — (F) Mr President, I should like first to refer to an amendment tabled by one of the political groups which is not directly related to the subject we are discussing. I refer to amendment number 2, which the commission fully supports.

I now turn to the specific subject of today's debate. The Commission notes that four committees have taken an interest in this subject and expressed opinions. This clearly demonstrates the European Parliament's continuing interest in the matter. I also note that Mr Bangemann seems very much at home in this area, as in many others; I admire his ability for hard work and his sound judgement, and I wish to make

Cheysson

clear that we agree with most of his conclusions, especially his view that this is one of the most important series of negotiations taking place at international level at the present time, since it will have an effect on the whole future of the human race. Not that I expect to see the human race reverting to the initial stage in its evolution and turning back into fishes, but if human beings are to continue to survive in their present state, then the exploitation of the sea is going to be of fundamental importance.

These are ambitious negotiations — as many speakers have pointed out — because they cover almost all aspects of the sea and its resources. There is first the setting up of the two hundred-mile economic zone. The extension of national authority to 200 nautical miles has already been adopted in principle by the majority of the coastal states. But the principle has still to be codified and regulating provisions adopted. It will also be necessary to arrange for non-coastal states to get a fair share of marine resources and to have access to the high seas. We also have to deal with a number of related problems associated with the extension of national authority to 200 miles; these have been carefully detailed in Mr Bangemann's report and in the resolution; they include freedom of navigation — and all speakers have agreed that we must take a very firm position on this — which should also apply in the territorial 12-mile zone, and the freedom to lay underwater cables and pipelines, as laid down in paragraph 18 of the Motion for a Resolution. I am bound to say that I was rather surprised by what Mr Prescott had to say about this. In the Revised Single Negotiating Text, which was drawn up with considerable difficulty during the conference on the law of the Sea, Article 46 states that the freedom of navigation and over-flight and freedom to lay underwater cables and pipelines must be recognized in the exclusive economic zone. That is paragraph 1.

Paragraph 3 covers precisely the situation to which Mr Prescott referred :

In exercising their rights and performing their duties under the present Convention in the exclusive economic zone States should have due regard to the rights and duties of the coastal state and try to comply with the laws and regulations enacted by the coastal states.

In other words, the freedom to lay underwater cables and pipelines is asserted, but this freedom is subject to the conditions laid down by the coastal state within the 200-mile economic zone.

This provision, Mr President, is one which it would seem the Commission ought to uphold on the basis of the Revised Single Negotiating Text itself. It would therefore cause the Commission some anxiety if the reference to this were removed from paragraph 18 of the Motion for a Resolution, since that could be interpreted by some of our partners as the withdrawal of

our requirements in this connection. The Commission would therefore be grateful to the Assembly if it would reject the amendment tabled on this matter.

Other matters must be dealt with, both within the 200-mile zone and beyond it. These include pollution problems which several Members have referred to, and the right to conduct marine scientific research. The conditions for carrying out this activity and benefiting from the proceeds must be specified.

But there is an even more ambitious theme to this conference. For the first time in the history of mankind an attempt is to be made to achieve internationally organized exploitation of our common heritage — the seabed in international waters beyond the 200-mile limit, with the sole exception of the natural extension of the continental shelf in regions where agreement has already been reached on drilling operations. An International Authority with extensive powers is to be made responsible for the exploitation of this common heritage. This already seems to have been accepted in principle by all the countries of the world. To have a world executive authority supervising activity in an extremely important area of the globe will mean considerably greater progress than has ever been made before.

The interests of developing countries must be safeguarded by this International Authority and, as some speakers have pointed out, some of the benefits of the activities concerned should go to these countries. This would mean that for the first time certain resources could be recognized as the developing countries' own resources. That would be an important step forward.

These worldwide negotiations are of fundamental importance to the Community, which is more dependent than any other industrialized region for its supplies of mineral resources and has a great deal at stake in all aspects of this Convention.

We must have no illusions about the difficulty of the negotiating process. There are three fundamental objectives. First, not only must we draw up a convention, we must also agree on worldwide arrangements for settling disputes, as paragraph 16 of the Motion for a Resolution rightly points out. Secondly, there can be no doubt that the countries represented in New York have fundamentally different interests. There are coastal and non-coastal states, there are industrialized and developing countries, there are weak and strong countries, there are fishing countries and countries which have no fishing interests. Given all these different interests, it could be tempting of separate areas, each of which would lead to a distinct conclusion. Mr Prescott correctly noted that it would be unlikely that the weaker countries, the ones that have a lot to receive and little to give, could accept that. But, Mr President, I wonder if it would be in the Community's interest to proceed with such a division, even

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supposing it were possible to do so. Because there are areas where we are asking for a great deal. Freedom of navigation is one of those. It would be an extremely serious matter if, for example, agreement was reached on matters of concern to countries controlling strategic sea passages, if no agreement could subsequently be reached on freedom of navigation. It would be equally serious considering our own shortage of mineral resources if certain interests were to gain control of the most favourable areas of the seabed before general agreement had been reached on this question, which is probably the most difficult one of all.

Mr President, although the rapporteur has displayed a great deal of skill in drafting the text, I have to say that the Commission has some reservations about paragraph 8. We feel that it would be difficult to conclude separate conventions, and we doubt whether it would be in the Community's interest to do so. I am therefore bound to say that I disagree with the rapporteur and with Mr Fletcher-Cooke, who also spoke on this matter, and that the Commission would welcome the adoption of amendment No 1, tabled by Mr McDonald.

Mr President, both the report and the Members who have spoken refer several times to the need for the Community to adopt a common position. This is emphasized in paragraphs 3 and 4 of the Motion for a Resolution and has been taken up by several Members. It has to be admitted that things started out very badly. At the beginning of the Conference, the Nine behaved very irregularly with hardly a thought to mutual interests. But things have subsequently improved and with regard to overall guidelines, the Commission can now state that there is a common Community position. One difficulty just referred to by Mr Prescott is not covered by the Conference, since the problems of maritime freight sharing come under a different series of negotiations those on the Code of Conduct of Liner Conferences. It is nevertheless the case that on 20 April, after consulting Parliament, the Commission forwarded a communication with a view to drawing up guidelines for the forthcoming meeting of the sixth session, and I am glad to be able to inform Parliament that COREPER has accepted a modest but satisfactory text which will be submitted to the various governments in the next few days. I would point out that it makes provision for participation by the Community as a single negotiating partner in the forthcoming convention. Our mandate therefore includes that requirement.

We must have no illusions about the fact that negotiations will be prolonged. The Conference began four years ago, in May 1973 and has now reached its sixth session which began on 23 May and is expected to last for nearly two months. This is too important a subject for us to expect rapid conclusions. We have all the

less reason to expect them when we bear in mind that, on the express wish of the industrialized countries, this Conference, unlike many other United Nations conferences, sets out to achieve a consensus.

There will be no voting at the Conference on the Law of the Sea, nor do the industrialized countries want there to be voting. We want all countries to be committed. To get consensus among 140 or 150 countries is an extremely delicate operation, but we feel it is necessary. Mr Hughes wondered what we would do if we failed. I am unwilling to contemplate failure, because this is an ambitious project which deserves to succeed, and there will be no other way of solving the problems raised in the Conference on the Law of the Sea if we do fail. Of course, in areas like fishing we can set up exclusive zones and negotiate on mutual rights, and we have in fact begun to do so. Where petroleum and pollution are concerned, we have already concluded several conventions which although hardly satisfactory, are at least a point of departure. But how can we handle problems affecting the waters outside the 200-mile limit, whether it be pollution control or recovery of marine resources? How can we handle the desire of Third World countries to share in the exploitation of this common heritage? How can we cope with the requirements of the non-coastal states without a world-wide impact, and that is why we must succeed. I will not try to answer questions about those areas which can only be dealt with on a world scale. We must count on this conference being a success. It will be hard going but when this Parliament is willing to devote a long debate to this subject, as it has done this morning with an outstanding report and the opinions of three committees, its support is extremely valuable. I thank the Assembly for its assistance, and hope that the text before it will now be adopted.

President. — I call Mr Bangemann.

Mr Bangemann, rapporteur. — (D) May I make one comment on the proposed amendments. Mr Cheysson has already mentioned — and this may impress and influence Mr Prescott and his Group — that freedom to lay underwater cables and pipelines within the 200-mile economic zone of course is subject to compliance with all provisions issued by the country which undertakes economic activities in this zone and of course — perhaps we should add this to make it clear — the rights belonging to the 12-mile territorial zone are not infringed, that is, this freedom is subject to compliance with all the provisions in force in this zone.

And a last word on the question as to whether a new paragraph 6(a) can be added. Yes, it can be done. There will be no problem there.

And a final word on the question as to whether paragraph 8 should be deleted. Of course, I fully respect

Bangemann

what the Commission has said on this point and am also aware that Mr McDonald is correct in his various arguments. However, I should like to refer to what has been said by its supporters in the debate.

Mr President, we are not dealing here with a binding proposal which would make a certain procedure compulsory for the Community's delegation or any other delegation; this is, if you like, a political consideration and to confirm this political consideration at this juncture by a decision of this Parliament may prove to be very useful as the Conference continues.

This is the sense of this proposal and I would ask you to reject the proposed amendment to paragraph 8. This I am doing on behalf of the Legal Affairs Committee. As Mr McDonald knows we have just held a very exhaustive debate in the Legal Affairs Committee on this point; the present wording corresponds to this debate and was accepted by the Legal Affairs Committee. I must ask you therefore to reject this proposed amendment to paragraph 8.

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.

After paragraph 6, I have amendment No 2, by Mr Müller-Hermann, on behalf of the Christian-Democratic Group, calling for the insertion of a new paragraph:

6a Calls on the Council and Commission to make renewed efforts to work out common rules for fishing zones in the Community.

I put amendment No 2 to the vote.

Amendment No 2 is adopted.

I put paragraph 7 to the vote.

Paragraph 7 is adopted.

On paragraph 8, I have amendment No 1, by Mr McDonald calling for this paragraph to be deleted.

I call Mr. McDonald.

Mr McDonald. — Mr President, may I again outline, very briefly, the reasons for my desire to have this paragraph deleted? It has been very clearly stated during the course of this interesting debate this morning that there will be many divergent views at the Law of the Sea Conference. It boils down to this — that there are some states with considerable claim to territorial waters, other states with less territorial seabed, and some states which are completely land-locked. As well, you have the powerful, industrially developed countries with plenty of muscle, you have the small countries with weaker economies and you have the emerging nations. And it is my opinion that, if you have four conventions based on the four subcommittees which have been working for some years already, you will find some countries with a lot to give, but absolutely nothing to receive in return,

because the convention will have agreed very easily on the minor matters, about which there is no contention, while on the important problems before this Conference — the continental shelf, the minerals under the sea-bed — there is deadlock and there will be deadlock. The Community countries, having worked out the pros and cons of the problems in the four separate committees, should give a lead by going into the Conference, at the next session starting this month, in a spirit of cooperation, of give-and-take, in order to ensure that, having looked for a solution for seven years and achieved slow but definite progress, every government will be able to return home and say: 'We achieved this and that.' They can leave it to their own opposition people to indicate the areas where they had to give way. This is the way it happens, at least as far as democracies are concerned. If paragraph 8 remains as it is — and I thank the rapporteur of the Political Affairs Committee for weakening paragraph 8 as against the original text — there may be a prolonged wrangle on whether or not they should open up new discussions, and we shall have seven more years of fruitless argument. I would appeal to the House, therefore, to take out paragraph 8, so that we can have a true international convention signed in a spirit of international cooperation and goodwill where every government, whether of a land-locked country or of a country with extensive continental shelves, will be able to go back and report progress to its electorate.

President. — What is Mr Bangemann's view?

Mr Bangemann, rapporteur. — (D) Mr President! Mr McDonald, if what you say were true, then we would not have been allowed to set up 200-mile economic zones. It is of course true that there are countries with different interests. But the European Community has interests too, and these are at a disadvantage compared with the interests of other countries, but that is only to be expected. The land-locked countries have gone home and said: we still have no common result; we do have a Revised Single Negotiating Text, but nothing beyond that. But in the interim, coastal states have set up a 200-mile zone. In other words, we are faced with just what you don't want them to do. And so it is quite reasonable to consider concluding unilateral conventions in those cases where no consensus can be reached.

Let me give you another example: what prevents us from concluding a convention on the settlement of disputes? That is surely in everyone's interest. Such a procedural provision is quite independent of whether a country is a land-locked state or not, whether it is rich or under-developed. Why should we not do this? I can't see why not. At the Conference, why should we not consider saying: now, let's just consider, let's draw up a summary, what has happened in the past

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seven years? What have we achieved? And then we realise: we haven't achieved anything because we tried to achieve everything. Instead of international law being strengthened, a few countries are acting on their own and bringing about completely new situations. That's the problem. And so I cannot agree with the Commission's point of view however much I appreciate the Commission's work. Mr President, let me say it once again, this is not a matter of life or death but a political argument which we ought to introduce into these negotiations. That is my feeling.

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

Amendment No 1 is rejected.

I put paragraph 8 to 17 to the vote.

Paragraphs 8 to 17 are adopted.

On paragraph 18, I have amendment No 3 by Mr Prescott, on behalf of the Socialist Group, calling for the deletion of the words:

and freedom to lay underwater cables and pipelines.

I call Mr Prescott.

Mr Prescott. — The point we were trying to make is that freedom was defined in the way we were interpreting from this document. The position has now been made clear by Mr Bangemann and by the Commissioner. Forgive me for not reading all the texts of the United Nations, and remembering what each part in every one of those voluminous documents says. Nevertheless, the point is that there is the coastal states' right in this matter to see that things are observed.

In view of that assurance, we withdraw the amendment.

President. — The amendment is withdrawn.

I put paragraphs 18 to 24 to the vote.

Paragraph 18 to 24 are adopted.

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

The resolution is adopted.

10. *Cooperation agreements between the EEC and Egypt, Jordan and Syria*

President. — The next item is the report (Doc. 99/77) drawn up by Mr Pintat, on behalf of the Committee on External Economic Relations, on the

draft regulations of the Council of the European Communities concluding Cooperation Agreements between the European Economic Community and

- the Arab Republic of Egypt
- the Hashemite Kingdom of Jordan
- the Syrian Arab Republic.

I call Mr Bangemann.

Mr Bangemann, deputy rapporteur. — (D) Mr President, we have here three cooperation agreements with

Egypt, Jordan and Syria, which have been concluded in pursuit of the Community's global Mediterranean policy. These agreements are of great importance for the Community and, of course, for the countries with which they have been concluded, because they represent part of the Community's Mediterranean policy. One can say with justification that such agreements are the foundations for a North-South dialogue which deals with the problems which are also considered in these agreements. It is, of course, particularly important for us that these three agreements represent a further step forward in the dialogue with the Arab countries.

In overall terms, the agreements contain the following sections: objectives, economic and technical cooperation, financial cooperation, trade cooperation, institutional machinery and general provisions.

The agreements can, of course, be revised. They will be examined and improved in line with the experience obtained over the next few years. The first review is to be held at the beginning of 1979 so that any adjustments can be put into effect as from 1 January 1980. We welcome this because in this way the experience that we gain from these agreements can be put to practical effect. It is perhaps quite important to say what the details of the provisions for technical and economic cooperation are, because this will show what this means in practice.

Provision is made for the Community to participate in the efforts made by the partner countries to develop their production and economic infrastructure. In particular, the marketing and sales promotion of products exported by these countries will be promoted and industrial cooperation increased. It is hoped that, as part of this industrial cooperation, Community companies will participate in exploration, production and processing programmes and also the opening up of the partner countries' resources and that it should also cover the fields of science, technology, protection of the environment and the fisheries sector.

An exchange of information on the economic and financial situation will enable a judgment to be made of these individual measures so that all in all I can say that this cooperation involves not only cooperation between States but also private enterprises, and this may be very effective.

It is also important to emphasize that these agreements are linked with financial aid, since this was a point of difference at the outset of the negotiations. I believe that the three partner countries, were correct in pointing out that without such financial aid, cooperation was nothing more than an expression of goodwill. Anyone who doubts that should just look at the basic figures which are set out in an annex to the report, particularly as regards Egypt. One should realize that 32% alone of exports of goods and

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services of this country have to be used to cover debt servicing. One can imagine what a cooperation agreement without a section on finance would be in fact no good at all, only an expression of goodwill.

Financial aid has been provisionally set at 270 million u.a.; this will certainly be changed in the review, and it will be given in three different forms: Firstly, loans granted by the European Investment Bank from its own resources, subject to the terms set out in its statute at the interest rate currently applied by the bank; secondly, loans on special terms granted for 40 years with an amortization period of 10 years at a low interest of 1%, and therefore a very considerable financial aid; and finally, non-repayable grants, possibly in the form of interest rate subsidies for the loans I just mentioned. These loans, Mr President, will certainly make it possible to finance the joint individual enterprises which are contemplated here.

It should also be noted that an effort will be made for the complete abolition of customs duties on imports into the Community of industrial products from the partner countries to take effect from 1 July 1977. This needs, in fact, to be mentioned here since it is really an additional form of financial aid. Certain products, which are considered sensitive to the Community, will be subject to a transitional regime to ensure there are no sudden disturbances in Community production.

As for the institutional machinery, one might point out that a cooperation Council is to be established and measures taken in order to facilitate the necessary cooperation between the European Parliament and the representatives of the National Assemblies of the States in question. This is naturally an area which affects us in particular and the Bureau ought — this proposal is included in the report — to make contact as quickly as possible with the representatives of the National Assemblies of these countries in order to set this creation of institutions in progress. We know from the examples of Turkey and Greece that these parliamentary institutions can perform very useful work. I remember — I was myself once a member of the Joint Parliamentary Committee of the EEC-Turkey Association — that one can speak much more freely in these institutions and therefore, when any disputes arise, one can make a very useful contribution to removing them or at least *sotto voce* make them much easier to bear.

Finally, Mr President, I should like to stress the particular nature of these agreements because the European Community has once again, as in the Lomé Convention, set an example for the type of development aid which will in future perhaps be practised more widely. The cooperation which is attempted here is not only a cooperation between the European Community and the three countries but the Agreements are expressly directed towards encouraging internal cooperation, that is to say cooperation

between the partner countries themselves or also with other Arab and African countries, so that this is not to become a bilateral relationship but a first step towards multilateral efforts. I think that this is much more likely to be successful than the classical type of development aid which is to make such Agreements bilaterally.

This also means that our Mediterranean policy, which is after all defined as a global approach, will be extended beyond the Mediterranean area and that even within the Mediterranean a certain differentiation will appear. This is already shown by the fact that those countries, which are in association or who are preparing for accession, such as Turkey, Greece, Spain and Portugal, have a different relationship with the Community from that of, for example, the Arab countries with which these agreements have been concluded. We therefore have to differentiate somewhat this global approach in the Mediterranean area and we must also expect therefore that the effects of this policy will make themselves felt beyond the Mediterranean area.

One last remark, which is a personal one. Mr President. I cannot make it on behalf of the Committee on External Economic Relations nor within the context of this report. However, since I have taken on the task of presenting this report this morning, please allow me a small personal observation, almost as a compensation.

Mr President, I am of the opinion that we should pursue the dialogue on the political problems as regards the Arab countries much more strongly. It is true the European Community began a dialogue by attempting to limit it to purely economic questions, cooperation, financing and so on. It was clear to me from the beginning that this would not work. I think that now all the participants have realized that it is impossible to evade the political problems. We have also realized, however, that at a time when we do not want to avoid these political problems, they are becoming solvable.

Only as long as one believes that one can avoid them by talking only about financial protocols and economic agreements and tariffs will they remain unsolved and therefore, Mr President, I allow myself the personal reflection: all the conflicts, particularly the conflict in the Near East, which plagues the relationship of the Arab countries with Israel, are solvable if the European Community becomes aware of the responsibility which falls upon it in political questions as well. If, therefore, it was no longer to object to the demand of these Arab countries to become involved in political problems, as was the case at the beginning of the Euro-Arab dialogue, I would welcome it, just as — and here I come back to the arguments of the Committee on External Economic Relations — these three agreements are extremely welcome to the committee.

President. — I call Mr Lange to introduce the opinion of the Committee on Budgets.

Mr Lange, Chairman of the Committee on Budgets. — (D) Mr President, ladies and gentlemen. As deputy for the draftsman of the Committee on Budgets' opinion, Mr Ripamonti, who unfortunately cannot be present today, I should like to make a few comments on behalf of the Committee on Budgets.

Mr Bangemann has dealt with the problems of these three agreements in their entirety and in his explanation he used a key phrase: financial protocols. We have accepted previously similar financial obligations towards other countries expressed in virtually identical words.

Ladies and gentlemen, you are aware that by a decision of this Assembly we are demanding from the Commission and the Council in the first place that these obligations should be duly entered into the budget. This means not only foreseeable expenditure but also the reduction in revenue which may well result from customs concessions. We must keep in our mind a clear picture of financial developments as they affect both revenue and expenditure. In this case I should like to remind the previous Commissioner responsible for this field and the present Commissioner, Mr Cheysson, that we have agreed that all financial implications, both negative and positive, must be visible in the budget.

No doubt for good reasons, the Committee on External Economic Relations has not taken account of the proposal from the Committee on Budgets to propose its own wording here. Therefore the Committee on Budgets proposes that we should first express our opinion on the customs concessions, that is, the reduction in revenue, secondly that we should comply with previous decisions and confirm these decisions of Parliament by entering in the budget the appropriations made available for these cooperation agreements by means of the financial protocols — and the Committee on Budgets is very keen to have this done if at all possible for 1 January 1978, that is, next year's budget — and thirdly, that, as we agreed on a previous occasion, when we debated the Maghreb and Malta agreements, the financial aid available should be coordinated between all three Community bodies — Commission, Council and Parliament — before the opening of the negotiations. These three requests, Mr President, are contained in the — I won't call it a proposed amendment — in the supplementary proposal to the motion for a resolution.

I should appreciate it if Parliament acted consistently with its previous decisions and endorsed this proposal from the Committee on Budgets, adding this paragraph to the other paragraphs in the motion for a resolution. I hope that the deputy rapporteur will also be able to agree to this procedure.

President. — I call Mr Mitchell.

Mr Mitchell. — Mr President, I think the whole House will welcome this agreement, because, as the rapporteur has said, it is a complementary one to those concluded with all the other countries of the Southern Mediterranean. I think now that, with the exception of Libya, we have probably an agreement with nearly all countries bordering the Southern Mediterranean.

I think it is also important that the EEC should have the closest possible relationship with the Arab States in the Middle East, because I believe that somewhere in the future — I hope, at an early date — we shall have a peaceful solution to the problems of that area. I think it is quite possible that the EEC at that stage will have a part to play.

One particular question I would like to put to the Commissioner is this: when negotiations were taking place prior to the conclusion of this cooperation agreement, was the question of the Arab boycott, and in particular the secondary boycott, raised at all, and in the opinion of the Commissioner is this in any way in conflict with the non-discrimination clauses in the agreement?

May I draw attention to the fact that there seem to be two lines missing, at least in the English text of paragraph 9 of the motion for a resolution? I hope they will be included in the final draft when it is made.

President. — I call Mr Normanton.

Mr Normanton. — Mr President, there are two points I would like to make.

First I would like to extend a warm welcome to the report itself. It is indeed evidence — if any further evidence were at all required — of the outward-looking philosophy of the European Community, and this is something which should be welcomed and which we should do our utmost at all times to promote. It is only by promoting world trade that we are going to help the major areas of the world to develop, both economically and socially, and undoubtedly this regulation will be a step in that direction.

The second point is really more of a caveat. At all times we have to be on our guard against entering into any kind of agreement with, or giving any form of recognition to, governments other than legitimate governments. That, of course is exactly what arises here: legitimate governments; under no circumstances, either by direct negotiation or, what is more important, by implication, should we establish any link with organizations whose sole aim and political object is to destroy or damage the economy of the peoples of another State with which the Community maintains relations.

I am obviously referring in this particular context to Israel. There have been many references to this, both

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in the report and in the oral introduction by Mr Bangemann. I was going to add a reference to the Arab boycott, but this point has been made by Mr Mitchell and is therefore no longer necessary. However, I should certainly think that the House will expect to hear from the Commissioner when he replies that this point of the Arab boycott is very fully taken into account.

What I think we have to avoid in the long run is entering into negotiations with countries and concluding agreements with them when we know full well that all of these countries are in fact going to use the Community to further their political objectives, the one against the other. I earnestly hope that by signing these particular agreements with the Arab Republic of Egypt, the Hashemite Kingdom of Jordan and the Syrian Arab Republic we are not going to fall into that particular trap.

With that caveat and looking forward to hearing the views of the Commission on the points which have been raised in this brief debate, I should like to extend a warm welcome to the regulation.

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission. — (F) Mr President I should like first to thank the Committee on External Economic Relations and to ask Mr Bangemann to be good enough to convey our congratulations to the rapporteur on the excellent account he has given of the agreements, which enables me to dispense with describing them here, and on the conclusions reached in his report, which Mr Bangemann has outlined and supplemented.

In view of his very complete account of the situation I hope I will be forgiven if I do not comment in detail on the agreements but concentrate instead on certain points raised by the motion for a resolution before Parliament.

Paragraph 2 of the motion for a resolution regrets that the agreements were not signed in the respective partner countries, and in paragraph 1 of his explanatory statement Mr Pintat offers an explanation for this. I am sorry to say that this explanation is not quite correct. The real reason for the agreements having to be signed in Brussels and not in the capitals of the countries concerned is — and it is one which gives me great satisfaction — that the three Arab countries prepared to sign the agreements that you now have to approve, wanted to make a joint gesture of solidarity in cooperation with the Community.

Our approach to these agreements is similar to that under the Lomé Convention, but the Arab countries could not accept a single agreement, as did the ACP countries. They have concluded separate agreements. The Community shares the anxiety just expressed by Mr Normanton and wishes to ensure that cooperation with these countries will be also an encouragement to cooperation between them. I have said before that

even if the Community will not go to war for you, it is probably the best ally that could be found by states that want to live at peace with each other. To get the separate agreements with the three Maghreb countries signed meant hopping from one capital to another, and included crossing the sealed frontier between Morocco and Algeria. We were therefore extremely pleased when these three Mashrek countries, despite certain political differences, decided to sign the three agreements jointly at the same table, although each agreement is distinct. But if there was only to be one table it could only be in Brussels, because none of the three was prepared to impose the duty of playing host on either of the others.

In paragraph 7, the rapporteur considers it desirable for permanent Commission delegations to be set up in these countries. Mr President I should like to thank the Assembly for stating quite clearly what is indeed a necessary step for the implementation of the agreements. Our dealings with these countries include financial cooperation. It would be hard to imagine how financial transactions could be conducted with a country without having a representative there. Our dealings with them are complex and intricate. It will be essential for us to have permanent, on-the-spot delegations. We have these in the countries that are signatories to the Lomé Convention. This has also been agreed to in principle for the Maghreb countries and the Commission will include proposals to this end under the usual budgetary procedures in the next few weeks.

Paragraph 9, in the French version, at least — and this will also be true of the English version when it has been completed — stresses the need for the Community to take a firm position on the principles of non-discrimination. The relevant provisions are considered in detail by Mr Pintat in paragraphs 23-25 of his explanatory statement, and I shall not therefore, dwell on this. But I do wish formally and solemnly to go on record in the report of proceedings of this House as saying that the Commission, in accordance with the instructions it has repeatedly been given by this Parliament, will insist scrupulously on the observance of the Articles in the agreements relating to non-discrimination. Non-discrimination is a fundamental principle in the Community. It is inherent to the structure and creation of the Community as such, it is a mutual obligation on and between its members and in relations with Third Countries in the case of global cooperation agreements. We hope, therefore, that where there is any suspicion of discrimination we shall be informed at once. I would also point out that there have been no cases of this to date. And I therefore undertake before this Parliament that should a case of discrimination arise that was in conflict with the text of the relevant articles of the Treaties, the Commission, the Community will take immediate action to ensure compliance with the relevant provisions of the agreement.

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Paragraph 11, which the rapporteur included initially, but subsequently withdrew has been reintroduced in the form of an amendment tabled on behalf of the Committee on Budgets.

Article 11 concerns the budgetary aspects. There are three main points. As regards the first of them, the Committee on Budgets is entirely right to raise this matter with the Commission because we have indeed failed to keep our promise to give Parliament the opportunity to assess the budgetary consequences of a proposal. In this case we have failed to provide Parliament with an assessment of the budgetary costs resulting from the tariff concessions. The work is been done within the Commission and should have been forwarded to you. A communication will therefore be sent to the Committee on Budgets within the next few days. It is indeed overdue and should have been sent earlier. You are right in noting this in paragraph 11 (a).

Subparagraph (c) causes me rather more difficulty, but we will of course accept it if it is adopted by Parliament. The difficulty is in negotiating with foreign governments where the exact sum covered by the financial protocol is publicly and irrevocably fixed in advance. This is a delicate subject which we might do well to discuss again in committee. However, the problem will not arise again in the immediate future since we have already concluded the series of overall cooperation agreements in connection with the Lomé Convention.

Subparagraph (b) asserts the same principle as the Commission has repeatedly asserted to the member governments in the Council for several years. All forms of Community expenditure should be entered in the budget, including those arising in connection with foreign policy. In other words, the cooperation appropriations should be budgetized. The time has long since passed when this Community had to have recourse to national budgets to cover some of its external expenditure.

Mr President I think the struggle is now over, largely thanks to this House, because in the 1977 budget the Council, after lengthy discussion, accepted the inclusion in the budget of the cooperation appropriations for the Maghreb countries.

I am therefore — for once — surprised at the timidity of the Committee on Budgets, for it is in effect giving the Council an opportunity to reverse a decision that has already been taken on the budgetization of the cooperation appropriations. It is unlike the Committee on Budgets to adopt a wording from which it might be supposed that the budgetization may not, in fact, be carried out, and yet that is what it is in effect doing in calling for a conciliation procedure to be opened. The Commission does not want to even consider this possibility. As far as the Commission is concerned the budgetization is already an esta-

blished fact. It has already been written in as regards the Maghreb appropriations, it will be submitted in the Commission's proposals for the 1978 budgets for the Mashrek countries, and we should be sorry if the logic of this process, which has already been accepted in principle by the Council, were once again called in question.

I shall now turn to some of the more general aspects of these agreements. Mr Pintat and, on his behalf, Mr Bangemann, have stressed that this is a matter of global policy. As I have already said I don't think there is any point in giving another detailed account, but I could perhaps make some comment on what has been said by Mr Bangemann. In the first place, this has to be seen in the context of what is called global Mediterranean policy. I am grateful to Mr Pintat for having clearly stated that there are two fundamental aspects to our Mediterranean policy: policy in the Northern Mediterranean, the policy of European integration, and policy in the Southern Mediterranean, the policy of cooperation with the Third World. Both are of course related in certain aspects, but the motivation and the political outlook are different in each case, and it is right to say so clearly. The rapporteur has correctly stated that the Community's Southern Mediterranean policy is more than the sum of a number of identical bilateral agreements. There is a philosophy behind it, and it is the same as the philosophy behind the Lomé Convention.

We are aiming at a global approach to cooperation. In the case of the Southern Mediterranean countries, that should be all the more obvious in that the agreements have been concluded for unlimited time, except with regard to the financial arrangements. The global approach also applies to financial cooperation. One Member has pointed out rightly pointed out that without such cooperation, the agreements would not be global agreements. However, the volume of finance involved is at present relatively low compared with the real needs of these countries. That is a fact. Nevertheless, we can now begin to undertake a series of operations and I would hope that the larger operations would be conducted in conjunction with an Arab fund or a petroleum-based source of finance. The latter would provide substantially larger sums, so that our participation would act as a catalyst and a guarantee of security, which are essential if the projects are to succeed.

Our cooperation extends to trade cooperation and, as the rapporteur says, this is essential to these countries whose trade deficit with the Community is causing anxiety. Mr Pintat has pointed out while the 20 Arab League countries have a joint annual surplus of 10 000 million dollars in their balance of trade with the Community, the 10 Arab countries with which we have now concluded cooperation agreements have a joint deficit of 3 000 million dollars in their balance

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of trade with the Community. That is a situation that cannot continue.

We are now covering ten Arab League countries comprising 110 million people out of 140 million, a substantial part of the Arab world. We are now in a position to conduct specific and intensive projects within the general framework of the wider Euro-Arab dialogue.

As Mr Bangemann noted — he made this as a personal point but I can agree with him speaking on behalf of the Commission — our relations with the Arab world necessarily imply a political factor. We are too close to each other. The conflicts that divide us have too direct an effect on them, as the past has shown; the conflicts which divide them have too direct an effect on us, as the present is showing, for us to be able to avoid contact at political level. The real import of the Euro-Arab Dialogue will become clear when the political motivation for it is expressed clearly. Now that we have a framework in the form of agreements on joint cooperation with certain Arab countries and their neighbour Israel, on a multilateral basis we must make clear what our political expectations and our political intentions are, if a peaceful settlement is to be achieved because that is where this Community, which is an ally for peace, is best equipped to play a full role.

That is the overall context of this cooperation. That is a further reason why the institutional cooperation laid down in these agreements, in particular cooperation between this Parliament and the Parliaments of those countries — because the countries we sign agreements with have their own Parliaments — is a matter of vital importance. With your approval, a date could be fixed for the first parliamentary contacts with these countries; perhaps even — and why should I not make a personal suggestion? — an initial parliamentary meeting to which all four neighbouring Arab countries would be invited simultaneously.

All of this of course fits into a much larger framework, as Mr Pintat notes in concluding his report, of relations with the Southern countries as a whole, as reflected on a global scale in our participation in international conferences, and also at local level in the shape of specific agreements, as characterized by the policy of the Lomé Convention.

The Commission would greatly appreciate it if Parliament adopts the motion for a resolution, possibly approving the minor amendment which I suggested with regard to the budgetary arrangements

I should like to take this opportunity of asking Members to try to ensure, through their national parliaments, that the agreements are ratified in good time. I would point out that the agreements concluded with the Maghreb countries on 25 April 1976 have still not

been submitted to certain national parliaments 13 months later. I am sorry to say that last remark applies in particular to one national parliament with which I could be identified in terms of nationality, and which is not represented here today.

President. — I call Mr Lange.

Mr Lange, rapporteur. — (D) Mr President, ladies and gentlemen. Mr Cheysson has criticised two points in the Committee on Budgets' supplementary proposal. However, I should like to leave paragraph 11 (c) as it stands. We can discuss the procedure, but we shouldn't negotiate in public, because this would weaken the position of the Community's negotiators. This is quite clear, but in some way or other, Parliament must be involved before the opening of negotiations. This is the reasoning behind subparagraph (c). And that is why we cannot yield on subparagraph (c). But we can discuss the ways and means.

As for paragraph 11 (b), Mr Cheysson considers that the Committee on Budgets has spoken timidly. This seemed unusual to him, because the Committee on Budgets usually speaks in a forthright manner. But he too spoke his mind here. If you read Mr Ripamonti's opinion, you will see that he refers to an entry being made in the 1977 budget, although it was only a token entry. From 1978 we want to see this item given in figures, and if the Council believes this is impossible, then we shall have to open the consultation procedure. And we shall state what has already been agreed, we shall not start fresh negotiations. We can of course do that in connection with the budgetary procedure, there is no problem there, since the matter is raised during the budget consultations. If the Council makes difficulties, then we shall have to make this clear to them in no uncertain terms.

Therefore I have no qualms about giving way on the issue of whether to delete subparagraph (b) after the semi-colon, but I should like to point out that this is not a sign of reticence or weakness, quite the reverse. The Council will be called to account every time it attempts to hide behind the status quo — and you, Mr Cheysson, know at least as well as I do, if not better, that there are certain trends visible in the Council which give rise to such fears. This being the case, Parliament must watch all the Council's actions relating to Parliament's budgetary powers very carefully during this development phase and jealously guard against any diminution of its powers and authority. And this proposal is designed to do this. So I have no qualms, as I said, about deleting paragraph 11(b) after the semi-colon, but apart from this, please adopt the Committee on Budgets supplementary proposal as it stands.

President. — I call Mr Mitchell on a point of order.

Mr Mitchell. — Mr President, when you come to the vote, I would like to ask for a separate vote on paragraph 2 of the motion for a resolution, because, in view of what the Commissioner said, it seems that this is based on inaccurate information and, frankly, it would be far better if it weren't there — if I interpreted Commissioner Cheysson correctly in his remarks.

President. — We shall now consider the motion for a resolution. I should like to thank Mr Mitchell for drawing our attention to the fact that in the English version, part of paragraph 9 is missing. This technical error will be corrected in due course.

I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

I put paragraph 2 to the vote.

Paragraph 2 is rejected.

I put paragraphs 3 to 10 to the vote.

Paragraphs 3 to 10 are adopted.

After paragraph 10, I have amendment No 1 by Mr Ripamonti, calling for a new paragraph to be added.

11. Considers that an assessment of the financial implications of these agreements should be based on the following principles :

- (a) the Commission and Council should make a serious appraisal of the budgetary costs resulting from the tariff concessions provided for in the cooperation agreements and submit this appraisal to Parliament in good time ;
- (b) the effective budgetization of the cooperation appropriations must commence with the 1978 Budget ; failing this, the conciliation procedure with the Council should be opened before the agreements enter into force ;
- (c) Parliament must be consulted on the financial aid provided for in these agreements when the Council actually decides on the amount of the aid — in other words, as a general rule, before the negotiations commence.

Mr Lange has just proposed that in subparagraph (b), the words: *falling this, the conciliation procedure with the Council should be opened before the agreements enter into force* should be deleted.

Are there any objections to this oral amendment ?

That is agreed.

I put to the vote amendment No 1, so amended.

Amendment No 1 is adopted.

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

The resolution is adopted.

11. *Regulation concerning a fishery agreement between the EEC and the United States*

President. — The next item is the report (Doc. 110/77) 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 concerning the conclusion of an agreement between the European Economic Community and the United States of America concerning fisheries off the coasts of the United States and establishing the provisions for its application.

I call Mr Hughes.

Mr Hughes, rapporteur. — Mr President, this particular agreement with the United States is the first of what will be a series to be presented to this House over the next few months between the Community and third countries. In this particular case, the United States Congress, as was mentioned in the earlier debate, laid upon the executive of that country an extremely stringent and strict negotiating position from which there could be no deviation and the Community had only the choice between agreeing to their terms and having no fishing at all. That is scarcely the way one would wish to have negotiations normally carried out ; nonetheless, that was the position facing the Community. That is why, while we recommend to this House the approval of the Commission's proposals, we insist that this agreement and the form of its negotiation should not be used as a model for future agreements. We express deep concern at the manner in which the United States confronted the Community with these requirements, we need closer consultation between the Community and the United States in the future, and in fishery matters general overall trade relations should be brought into play as well as specific fishery considerations.

It would not, I think, be to the benefit of this House this morning to go into great detail on the relative cost or value of skate and shrimps fished off French Guyana and the coast of America.

With regard to the change to Article 7 of the proposals, where the Legal Affairs Committee wanted Parliament to be consulted at all stages, the Agricultural Committee has suggested that where there is a failure to get a majority in the management committee and the Council, acting by qualified majority, takes, or proposes to take, a different decision, at that point and under those circumstances Parliament should be consulted : not where there is no disagreement, only if there has been a disagreement.

In any case, Parliament should receive an annual report on the implementation of this agreement, on changes in quotas, etc., and this should form the basis of annual reports on all such third-country agreements.

Hughes

With those very few brief remarks, Mr President, I commend this report to the House.

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission — (F) Mr President the Commission would like to thank Parliament, and in particular the rapporteur, Mr Hughes, for the trouble it has taken to consider this text, for the reasons which Mr Hughes has explained. The matter was indeed urgent.

The extension of the United States' exclusive fishing zone to 200 miles took effect on 1 March 1977. On 4 March the Americans informed the Community that they had completed the internal procedures necessary for the entry into force of the agreement. This put us in the position of having to make the necessary internal arrangements for issuing fishing permits to Community fishermen. Just how urgent the matter is can be seen from a few dates. German fishing operations are due to begin on 15 June, a month from now; the French are to follow suit shortly afterwards, whereas the Italians have already been forced to abandon American waters in the absence of this regulation. It is an extremely urgent matter and we are grateful to you for having agreed to being consulted today.

The regulation proposed by the Commission is based on Article 43 of the Treaty of Rome in accordance with an opinion delivered by the Court of Justice in the Kramer affair in July 1976. We are grateful to the Legal Affairs Committee for having supported this judgement, thereby recognizing what we hope Parliament will confirm — that Article 43 and the Common Fisheries Policy which is based on it give the Community the necessary competence to undertake commitments under the agreement. This is the first time this has happened, and it is an important matter.

The content of the agreement is outlined in the report and has been described by the rapporteur, so I shall not dwell on it. I shall confine myself to taking up two points which caused a certain anxiety during the debate in the Committee in Agriculture, and continue to do so. The first point concerns the quotas allocated by the Community for 1977. I would like to stress that these quotas are the same as those previously negotiated between the Member States and the United States through ICNAF. As regards the nature of the agreement as such, it is true that we in fact faced an impossible situation. We were confronted with a predetermined agreement which the negotiating Executive was unable to change, since it was derived from a decision of the United States Congress. It is therefore extremely important that this agreement should not be taken as a precedent for subsequent agreements. The Commission can guarantee that fully to Parliament. It would also like to stress that on other agreements those already signed with Sweden and the

Farøe Isles, and those which are being negotiated — its position has been and is different.

In the case of the agreement we are now considering, we were doing all the asking and had nothing to offer in return because it concerns only American territorial waters and the allocation of surpluses. With all the other fishing agreements, there is reciprocity in the advantages conceded by one side or the other, so that we do have a solid basis for negotiation. With the support of Parliament we will use it to the full. Of course this agreement can in no way prejudice the position we will take on this, or on related subjects, in the Conference on the Law of the Sea which we have already discussed at length.

A final point is one raised by the Committee on Agriculture in accordance with the opinion of the Legal Affairs Committee. It concerns the Management Committee procedure, in particular the procedure to be followed if the Management Committee decides by a qualified majority against the measures proposed by the Commission. In that case, the proposed regulation states that the Council should not be authorized to act on the dispute in the Management Committee before consulting Parliament.

Mr President, this is highly embarrassing for the Commission. On the one hand it must stress that it is a matter of the most basic management, a question of choosing between different boats if the number of vessels proposed is not reasonable in relation to the quotas. It will be a question of reaching a decision on technical specifications for boats, fishing methods, species of fish, all highly specialized matters which are hardly appropriate subjects for Parliamentary debate. We will also be required to reach decisions within very short time limits, because on no account must the start of fishing operations be delayed through failure to inform the Americans of the fishing permits they will be asked to grant. We therefore feel that consultation of Parliament will be difficult in these circumstances. On the other hand, Mr President, the Commission is obviously on Parliament's side in seeking to ensure that the Council observes the Treaty provision authorizing the Commission to manage and implement the budget and also to take the necessary management measures when budgetary factors are not involved. I therefore think you will allow me, Mr President, to express some doubt as to the procedure the House proposes — formal consultation of Parliament by the Council, before a decision is taken. At the same time, we hesitate to oppose this, in the first place because we have no right to do so, and in the second, because we obviously agree with your reluctance to see the Commission's management powers restricted, contrary to the Treaties.

President. — I call Mr McDonald.

Mr McDonald. — Mr President, I just want very briefly to contribute to this debate and to compliment Mr Hughes on his work.

McDonald

I would mention, in paragraph 4, a slight inconsistency with the thoughts of the Committee on Agriculture in relation to this matter where they say :

... and insists furthermore that the overall trade relationships with the United States should be taken into account at the time of such re-examination

as is provided for two years hence.

I think this is the same principle I was trying to argue on the Bangemann report, and I think we should at least look for consistency from the committee.

I agree with the report.

President. — Does anyone else wish to speak ?

I put the motion for a resolution to the vote.

The resolution is adopted.

12. Dates of the next part-session

President. — There are no further items on the agenda.

I thank the representatives of the Council and the Commission for their contributions to our proceedings.

The enlarged Bureau has proposed that Parliament should hold its next part-session from 13 to 17 June 1977, in Strasbourg.

Are there any objections ?

That is agreed.

13. Adjournment of the session.

President. — I declare the session of the European Parliament adjourned.

14. 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 11.40 a.m.)

